

remain this way, but they are talking about 30 or 40 amendments, almost all of which are sense-of-the-Senate amendments. We will never get out of here if that happens. Normally the minority has about twice as many. So add that up and we will have 120. We could just start voting now and we would not go home for the recess. So I urge we consider our own well-being and what is really necessary to get this job done.

Mr. STEVENS. Mr. President, I am constrained to say to the Senator from New Mexico, I thought I had problems on the supplemental bill.

To hear about this number of amendments is staggering.

Mr. DOMENICI. Mr. President, I am going to attend a hearing for about 25 or 30 minutes, and we will have a Budget Committee Senator down very shortly. In the meantime, Senator STEVENS is given whatever privileges I have.

I yield to Senator THURMOND as much time as he desires. I will give him that time off the bill.

The PRESIDING OFFICER. The Senator from South Carolina.

BAD NATIONAL DEFENSE POLICY

Mr. THURMOND. Mr. President, bad national defense policy is about to get us into serious trouble—again. As I speak, United States Armed Forces are in direct danger because they are being used as social workers in a very dangerous country—Haiti. Most Americans will be greatly surprised that I am saying the United States Army is still in Haiti. Why are most Americans surprised? Because it has been more than 4 years since the September day in 1994 when the President sent a force of 20,000 troops to this island. Despite what the United States did in Haiti, not much has changed, except that the United States force has become tiny and in a great peril. No elected official has been able to bring peace or democracy to Haiti. Factional fighting has immobilized the government and stymied efforts at economic recovery. The factionalism has provoked assassinations and bombings reminiscent of the bad old days.

Fortunately, Congress has been put on-call by a voice of honesty coming from our uniformed ranks. Last month, General Wilhelm, Commander of the U.S. Southern Command, directly and honestly described the mounting danger surrounding his troops. The 500 United States military personnel left to help prop up Haiti are doing mostly social work and spending much of their time defending themselves from attack. Let me be clear about what kinds of work our troops in Haiti are doing. They are not fighting an enemy. They are involved in tasks like digging wells, providing medical services, and training police and military officers. Such work might be understandable if it contributed to stability. It is not. The 500 United States troops still in Haiti spend much of their energy just

trying to protect themselves against those they came to help. Unfortunately, it is now difficult for the administration to accept a clearheaded understanding of these dire circumstances and call for a pullout. Doing so will concede the failure of a peacekeeping mission regularly touted as one of the shining achievements of recent years.

The list of the administration's failed peace missions is long and growing. I am unconvinced that trying to resuscitate these failed nation-states is in the U.S. vital interest. The costs of U.S. involvement in peacekeeping are not in our national interests and should be reduced. The price tag of the Bosnia mission, for example, has already hit \$12 billion, with no end in sight. Haiti has cost more than \$2 billion. However, today the 500 soldiers in Haiti—mostly Army reservists rotating through on short-term assignments—remain in Haiti at a cost of about \$20 million last year.

The question is simple: Is it in the United States' best interest to have our troops in imminent danger, preoccupied with defending themselves against people whom they have come to help, who have shown little inclination for reform at a cost of \$20 million annually to America? This is the path down which the administration has taken the United States. We are now involved in a steady run of civil wars without clear solutions which involve failed nation-states. We will soon drown in this kind of foolishness. Stemming civil wars should not be the main strategic challenge for the United States. These kinds of misadventures do not really engage the strategic interest of the United States. Certainly, such ill-conceived adventures do arrogantly endanger our troops.

Because of this, I call on the administration to swiftly withdraw the 500 service men and women who are currently in Haiti.

Mr. President, I yield the floor.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2000

The Senate continued with the consideration of the concurrent resolution.

Mr. LAUTENBERG. Mr. President, today we begin our annual pilgrimage to establishing a budget for the next fiscal year. The first year of the new millennium is almost upon us, and we are moving at a fairly rapid pace to get this budget into place, as contrasted to

some of the experiences we have had in the past. I commend our chairman, Senator DOMENICI, for his lending the urgency that he has to getting this job underway.

Lest it be misunderstood, Mr. President, that does not mean I agree with everything that we have come up with. But we are moving the ball, as they say, and we will have a chance to amend or debate the budget resolution as it passed the Budget Committee.

As we begin our work on a budget for a new century and a new era in our Nation's economic history, we do it with the knowledge and the satisfaction that at long last, America has put its fiscal house in order.

At the same time, we still face serious long-term questions. The key question facing Congress is whether we meet those challenges and prepare for the future, or whether we will yield to short-term temptation at tomorrow's expense.

Democrats are committed to focusing on the future. Our top priority is to save Medicare and save Social Security for the long term by reducing our debt and increasing national savings. We also want to provide targeted tax relief for those who need it most, and that is the average middle-class family in America. We want to invest in education and other priorities.

Our friends, the Republicans, have a different view. Their plan focuses on tax breaks, largely for the wealthy. These tax breaks, whose costs would increase dramatically in the future, would absorb resources that are needed to preserve and to save Medicare.

That, when you get right down to it, is really the main issue before the Senate: Should we provide tax cuts, many of which will benefit the wealthy, or use that money to save Medicare? It is as simple as that.

Of course, there is a lot more to the budget resolution before us, so let me take some time to explain why I, like every other Democratic member of the Budget Committee, strongly opposed this resolution. There are four primary reasons.

First, as I have suggested, it fails to guarantee a single extra dollar for Medicare. Instead, it diverts the funds needed for Medicare to pay for tax cuts that, again, benefit the wealthy fairly generously.

Second, it does nothing to extend the solvency of the Social Security trust fund. In fact, it could block President Clinton's proposed transfer of surplus funds to help extend solvency.

Third, I think it is fiscally dangerous. The resolution proposes tax cuts that begin small but that explode in the future. Some are around \$13 billion in the first year the budget goes into place, up to \$180 billion—\$177 billion—expected in the tenth year, just when the baby boomers are beginning to retire.

And fourth, it proposes extreme and unrealistic cuts in domestic programs. These could devastate public services if

enacted. More likely, Congress, in my view, is going to be unable to pass appropriations bills, and we will face a crisis at the end of this year that could lead to a complete Government shutdown.

I want to address each of these problems in turn, Mr. President.

Medicare's hospital insurance trust fund is now expected to become insolvent in the year 2008. It is critical that we address this problem and we do it soon. We need to modernize and reform the program to make it function more efficiently, but it is clear that also we will need additional resources.

As part of an overall solution, President Clinton proposed allocating 15 percent of projected unified budget surpluses for Medicare. This would extend the solvency of the trust fund for another 12 years, to 2020. Unfortunately, the budget resolution rejects that proposal. Instead of using projected surpluses for Medicare, it uses almost all of them for tax cuts. The budget resolution does not specify the details of the tax cuts because they will be drafted later in the Finance Committee. However, the chairman of the Finance Committee, Senator ROTH, has said recently that he wants to provide a 10-percent cut in tax rates.

Under that proposal, the top 1 percent of Americans with incomes over \$300,000, and average incomes of more than \$800,000, would get a tax cut of more than \$20,000. And those in the bottom 60 percent, incomes under \$38,000, would wind up with \$99, less than 100 bucks.

Other major GOP proposals for tax cuts, which involve estate taxes and capital gains taxes, are similarly regressive and unfair. Giving away disproportionate tax breaks to the wealthy would be bad enough, but the GOP tax breaks would come at the direct expense of Medicare, and that is wrong.

Under the Republican plan, not one penny of projected surpluses is guaranteed for Medicare. The resolution does reserve about \$100 billion for unspecified uses over 10 years. But that is far less than the \$350 billion the President wants for Medicare over 10 years. More importantly, none of the \$100 billion is actually reserved for Medicare.

In fact, the chairman indicated that this amount may be used for unexpected emergencies or contingencies, and those alone could easily use up all this money. Emergency spending averages \$9 billion a year, more than the resolution's annual reserve for each of the next 5 years. Even over 10 years, we can expect to consume at least 90 percent of this projected reserve to respond to emergencies.

Mr. President, the Republican refusal to provide additional resources for Medicare would have a direct impact on the millions of Americans who will depend on Medicare for their health services in the future. The resolution almost certainly would mean higher health care costs, higher copayments

for the individuals, their share of the bill, higher deductibles—that means it does not kick in until the levels of costs directly to the individual have risen—and potentially lower quality health care services, and probably fewer hospitals, all because the majority insists on providing huge tax breaks for wealthier Americans.

Beyond Medicare, the second major problem with the Republican resolution is that it does nothing to extend the solvency of the Social Security trust fund. Currently, Social Security is projected to become insolvent by the year 2032. President Clinton is determined to extend the solvency until 2075 and has proposed specific policies to get us to the year 2055, as certified by Social Security actuaries.

The Republicans have been critical of the President's proposals to invest some of the Social Security funds in the private market and to transfer debt held by the public to the trust fund. Unfortunately, they propose nothing to increase the resources available to Social Security. In fact, their resolution is specifically designed to block the President's proposed transfer of surplus funds for Social Security.

The bottom line, when it comes to Social Security, is clear. President Clinton's budget extends solvency through the year 2055. The Republican plan does not add a single day of security.

The third major problem with the resolution is that it is fiscally risky. The resolution calls only for small tax cuts in the first year or two. But the cost of those tax cuts explode in the future. And by 2009, as I said earlier, when the baby boomers will begin retiring, the tax cuts will drain the Treasury of more than \$180 billion in that year. That is not fiscal responsibility.

The final problem with the Republican plan is that it includes extreme cuts in programs for Americans here at home. Total nondefense discretionary programs—to be absolutely clear, the discretionary programs include defense and nondefense—total nondefense discretionary programs would be cut in the first year from \$266 billion in the current year, not including emergency spending, to \$246 billion in the year 2000.

One does not have to be a mathematician to recognize that is a significant change—from \$266 billion to \$246 billion in 1 year. Arithmetically, it looks like a 7.5-percent cut—and that does not sound like a lot—but the real cut in most programs would be much deeper. And I assure you that 7.5-percent cut, at a minimum, is a very significant, painful exercise for those who are depending on some of our Government programs. And I am not talking about wasteful programs; I am talking about fundamental programs like WIC and border guards and FBI agents and DEA agents.

Keep in mind, the resolution claims to increase or maintain funding for a

handful of favored programs, like new courthouses, TEA 21, our transportation program, for the next 6 years, the census, National Institutes of Health, and some crime and education programs. Those are the protected programs.

That leaves the other unprotected programs facing cuts of about 11 percent—everything from environmental protection to the national parks, the FAA, the Coast Guard, the Immigration and Naturalization Service Border Patrol, FBI, NASA, job training, and Head Start. These are successful and important programs.

When we say that these cuts are going to be 11 percent in the first year, that is being pretty conservative, because we are ignoring the fact that the cuts increase significantly in the future to 27 percent in the year 2004, a 27-percent cut for the American people.

Just to put the picture straight, imagine a 27-percent cut in wages, a 27-percent cut in spending power. It would be an awful tragedy for most families.

Second, the 11-percent figure that we talked about in the first year represents a cut from 1999 levels. To make it clear, our fiscal year ends September 30 for 1999; and on October 1 we kick in with the budget for the year 2000. That does not anticipate any inflation impact.

Thirdly, there is another problem with the Republican budget. It significantly underestimates the outlays that would flow from its present levels of defense appropriations. If those outlays are estimated to be consistent with historical levels, the cuts in nondefense discretionary outlays would be as high as 21 percent in the first year.

I know that we are talking about a lot of different changes in the percentages. But it looks like the minimum could be 11 percent, and we could be looking at a figure as high as 27 percent in the nondefense discretionary programs.

Mr. President, I am going to give our Republican friends, the majority, the benefit of the doubt. I am going to, for the moment, not talk about the deeper cuts in the outyears. I am going to leave out, ignore, the effects of inflation. And I am not even going to consider this dramatic underestimate of defense outlays. I am going to start with this very conservative figure of 11 percent and consider what a cut of this magnitude would mean for domestic programs next year. Next year, again, starts October 1.

Here are a few examples, based on administration estimates:

That we would lose 2,700 FBI agents. I ask you, is this a time when it seems appropriate to be cutting back on FBI agents? When terrorism in this country is a real threat? When we are trying to stop crimes? We are adding crimes to the list of crimes that are going to be tried in Federal courts. So 2,700 FBI agents.

Thirteen hundred and fifty Border Patrol agents. We have heard from

many of our colleagues, Republican and Democrat, who live in border States and talk about the problems they have from California, through New Mexico, through Arizona, Texas, about those who illegally cross the border, pleading for more help, pleading for an opportunity to contain this illegal immigration flow. We are talking about reducing Border Patrol agents to the tune of 1,350? How do our friends who represent those border States feel about this?

Drug agents: 780 DEA drug enforcement agents would be lost. Now, if there is a more distracting problem in our society than drugs, I don't know what it is. The overrunning of our young people by drug influences is something that we can't tolerate, that we search for solutions to, at our wit's end.

One thing we know: While having enough drug enforcement agents alone doesn't solve the problem, take them away and we will see what happens to the flow of illegal drugs into this country.

Ninety thousand, two hundred fewer workers, dislocated as a result of industry shifts, plant closings, et cetera, would receive training, job search assistance, and support services—90,000 people would be left without the training necessary to move to different job situations if their job is lost.

Thirty-four thousand low-income children would be without child care assistance.

Over 1.2 million low-income women, infants, and children would lose nutrition assistance every month. That program is commonly known as the WIC Program. It is a very effective program. In a country like ours, with the bounty that we have from lots of natural resources, industry progress, people who are skillful, intelligent, who are hard working, lots of people making money—we talk today about the billionaire class as we used to hear 40 years ago about the millionaire class—and we want to permit 1.2 million low-income women, infants, and children who need the nutritional assistance that this program offers to lose it? I will not stand by and let that happen.

FAA operations: Our aviation industry is booming. People cannot get seats in lots of situations. What do we worry about? We have lots of delays, we have concerns about safety and security and the lack of critical modernization technologies. FAA operations would be cut by almost \$700 million. If we think the delays are bad now, hold on to your seat, because they are going to get worse.

Safety: We will focus on safety to make sure things are maintained, but we also want to protect ourselves against possible terrorist attacks, keeping people off the airplanes to make us more secure.

On the environment, roughly 21 Superfund toxic waste sites would not be cleaned up as a result of these cuts. They needlessly jeopardize public health.

Up to 100,000 children would lose the opportunity to benefit from Head Start. Head Start is an early preschool program that gives children who are typically from a disadvantaged situation a chance to understand the learning process, to get incentives to learn, to understand that learning is fun, that knowledge is beneficial. Take away that from 100,000 children? I don't know how we can do it. I don't know how, with a clear conscience, we can say, "Go ahead, listen, too bad, take your chances." We know who pays the price. All of us pay the price. It is only a matter of when. It is much cheaper to give these kids a head start than to later deal with those who might turn to crime or drugs as a way to work their way up the social and economic ladder.

We would eliminate 73,000 training and summer job opportunities for young people.

As I earlier said, these are conservative figures, yet these types of cuts are clearly painful. In my view, they are dangerous. Unfortunately, under this resolution, the problem gets dramatically worse in later years. By the year 2004, the nondefense reductions grow to about 27 percent. Again, that doesn't include the effects of inflation nor any underestimation of defense outlays which loom large in front of us now. We have to wonder whether the Republicans are serious about cutting domestic programs by 27 percent. It is hard to believe, especially when there are virtually no details provided about where those cuts would fall.

Some Republicans have argued that these cuts are required because of the discretionary spending caps which remain in effect through the year 2002. That is not true. Much of the program for domestic programs is created because the resolution increases military spending by \$18.2 billion over last year's level. Since all discretionary spending is now under a single cap—that is, defense and nondefense—that extra money must come directly from domestic programs.

President Clinton has also made it clear that we should increase funding for high-priority discretionary programs such as education and the military once we save Social Security. By contrast, the Republican plan establishes unrealistically low discretionary spending levels that would apply, regardless of whether we approve Social Security reform legislation.

Cutting domestic programs by 27 percent in 2004 is not realistic. When it comes to cutting specific programs, Congress almost certainly will not follow through. The votes won't be there to do it.

In other words, this budget resolution is a roadmap to gridlock. The results could be disastrous. If we can't pass appropriations bills, we face the prospect of yet another Government shutdown. Nobody wants that, of course, but it could happen.

Why, then, are we considering a budget resolution that even some Re-

publicans admit can't be enacted into law? The answer is simple: They are desperate to claim that they are for tax cuts. They just don't have a clue on how to pay for them. They don't want to guarantee Medicare a single new dollar, but they are still not even close to identifying sufficient offsetting savings to pay for their tax cuts.

We are left with a budget that deals with fantasy, a budget that everybody knows isn't going to be worth the paper it is written on. In the end, there is only one way out. The majority party, the Republicans, have to get real. They can't continue to insist on huge tax cuts if they are not willing to pay for them.

So, in sum, Mr. President, let me quickly recount the four reasons why I oppose this budget. I do it with respect for the chairman. We worked hard together, but we just could not agree on what a budget would look like.

First, it doesn't guarantee a single additional penny for Medicare. Instead, it takes money needed for Medicare and uses it for tax cuts that will benefit the wealthy.

Second, it does nothing for Social Security. In fact, it doesn't extend Social Security's solvency by a single day.

Third, it is fiscally risky. It calls for huge tax cuts whose costs explode in the future, just when the baby boomers will be retiring.

Finally, its cuts in domestic programs are extreme. If they were ever enacted, they would seriously disrupt important and essential public services. But, more likely, Congress will never really approve them and we will again be facing a disastrous threat of a Government shutdown.

For all of these reasons, Mr. President, I am deeply disappointed by this budget resolution. I hope that we are going to be able to work together and make what I consider badly needed improvements. We have 35 hours in which to determine what the outcome of our budget discussions are going to be like, what the result is going to be. I hope that we will be able to strike a balance that can get us a budget that can pass both Houses, which can also be approved by the President.

With that, I yield the floor.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President I rise today to talk about the great progress we have made reducing our federal deficits. I am proud to have participated in and voted for three budget acts—in 1990, 1993, and 1997—which have radically altered the fiscal condition of the Federal government and the debate about how the public's hard-earned tax dollars should be spent.

When I arrived in the Senate 10 years ago, we had a deficit of \$205.2 billion. We were awash in a sea of red ink. Budgeteers were predicting deficits as far as the eye could see. In fact, since 1989, our publicly-held debt has increased from \$2 trillion to \$3.7 trillion. Hundreds of billions of dollars of borrowing was needed every year to fund the Federal budget. This borrowing had two effects: it kept interest rates for all public borrowing higher than necessary and it caused the net interest costs of the U.S. government to rise as a share of total Federal spending.

After the enactment of these three budget acts—particularly the 1993 and 1997 budget acts—and on account of impressive gains in private sector productivity and growth, we were able to reverse the deficit trend. Deficits have continued to shrink since 1994—and we were able to celebrate our first unified budget surplus (counting Social Security) of \$70 billion last year. I am hopeful that the Congressional Budget Office's August re-estimate will allow this Congress to celebrate its first real budget surplus since 1960.

Deficits are yesterday's problem. Today, budgeteers are telling us to expect budget surpluses as far as the eye can see. I am proud to say that we are able to celebrate the fruits of our fiscal restraint—not because we had to abide by an inflexible constitutional amendment—but because we had the sheer will and political courage to put ourselves on a spending diet. Americans should feel good about that. And my colleagues who took the tough votes on fiscal restraint should also feel good about the budget surpluses we are now enjoying.

Through our progress on controlling spending, we have also made some progress on entitlement and net interest expenditures. Back in 1994, I co-chaired the National Commission on Entitlement and Tax Reform. In its final report, the Commission predicted that "without changes to programs or increased taxes, entitlements and interest on the national debt are projected to consume all federal revenues by 2012. In 2030, entitlement spending alone will exceed all Federal receipts." The fiscal restraint that we have displayed in the succeeding 5 years has changed the short-term picture of entitlement and interest expenditures dramatically.

Today, about 53% of our Federal budget is spent on mandatory programs like Social Security and Medicare; 34% of our budget is dedicated to discretionary spending (like NASA, NIH, roads and bridges, and the armed forces); and 13% of the budget is spent on interest on our national debt. Depending upon whose numbers you look at—the Republican Budget Resolution, the President's budget, or the CBO projections—our fiscal discipline will allow us to pay down our publicly-held debt and reduce our net interest costs. These interest payments will continue to decline as a percentage of our total

spending—from about 13% today to somewhere between 3 and 5 percent by 2009. Although discretionary spending will continue to decline as a percentage of total spending—this decline will occur more slowly than previously predicted. Over the next decade, discretionary expenditures will decline from about a third of total expenditures to about a fourth of total expenditures by 2009. And although mandatory spending will continue to rise as a percentage of total expenditures—from 53% today to 70% of spending by 2009—it will grow at a slower rate than we had previously predicted.

The strong growth in our economy and the subsequent strong growth in the taxable wage base has increased the solvency of our Medicare HI and Social Security OASDI Trust Funds. That same report from the Bipartisan Commission on Tax and Entitlement Reform predicted back in 1994 that with no changes, the HI Fund would be insolvent in 2001. But the latest statistics show that the HI Fund will be solvent until somewhere in the year 2010. Our 1994 report also noted that the Social Security would become solvent in 2029. In 1998, the Trustees of the Social Security Trust Funds announced that our strong growth would extend the solvency of the OASDI Trust Funds to 2032—and I have reason to believe that the short-term solvency of the Trust Funds will be extended even further after the Trustees release their 1999 report next week.

While we should pat ourselves on the back for our tough votes in 1990, 1993, and 1997, we must remember that our agenda remains unfinished. Today, I want to challenge the Senate to start tackling the last piece of unfinished business. I am, of course, referring to the biggest political problem facing our generation of legislators: how do we work together in a bipartisan manner to modernize, reform, and improve the Medicare and Social Security programs for our children and grandchildren? Our demonstrated fiscal responsibility has bought us some time—and some breathing room—to think about how we want to reform our safety net programs, restore solvency to our entitlement Trust Funds, and reduce the out-year proportions of the budget which finance our entitlement programs.

Although we've slowed the growth in our entitlement programs, it must not go unnoticed that this year we will spend \$20 billion more in Medicare and Social Security benefits than last year—and next year we will spend \$30 billion more than this year. That \$30 billion increase in Medicare and Social Security benefits is more than our total combined expenditures on the State, Justice, and Commerce Departments during 1999. The additional money we will spend each year on Social Security and Medicare benefits will only begin to increase as the first Baby Boomers start retiring during the next decade.

The President's own budget outlines for us the troubling long-run budget projections for the Social Security and Medicare programs. Right now, we spend the equivalent of 4.5% of GDP on Social Security benefits and about 3.6% of GDP on Medicare and Medicaid. By the year 2050, we will be spending about 7.2% of GDP on Social Security benefits and 9.7% of GDP on Medicare and Medicaid benefits. This is a dramatic increase in entitlement expenditures—a doubling from 8.1% of GDP today to 16.9% of GDP in 2050. My Nebraska constituents need to know that the more we spend on entitlements, the fewer tax dollars will be available for the education and training of our children, or the research and development of new medicinal drugs, or space exploration. The analytical tables in the President's budget show that discretionary expenditures will continue to decline from about 7.6% of GDP today, to about 3.6% of GDP in 2075.

I want to challenge my colleagues to seize upon the opportunity to modernize, reform, and improve Medicare and Social Security during this era of budget surpluses. We need to think about helping people become less dependent on the government for their retirement security. For example, I support the idea of allowing individuals to have a payroll tax cut of 2 percentage points, which they could invest in individual accounts. But these individual accounts are not the end in itself—but the means to an end. The means to a more independent retirement—a retirement that involves the ownership of wealth and the creation of an asset that can be passed on to heirs. We need to decrease the demand of future retirees on the government by making changes to Social Security that reduce costs—but also provide retirement security.

Efforts to reduce the costs of the program are made harder by changes to the Social Security program enacted back in 1983. Some of my colleagues—particularly Senator MOYNIHAN—may remember that back in 1983, Congress agreed to "pre-fund" the Social Security benefits of the Baby Boom generation by allowing the program to take in more income than it needed to pay the benefits of current beneficiaries. This excess payroll tax money was supposed to flow into a Social Security Trust Fund. As we all know, this money was borrowed from the Trust Fund throughout most of the Reagan, Bush and Clinton years to finance the general operations of government. When Treasury starts paying back the money it borrowed from the Trust Fund in 2013, it will pay these IOUs with general revenues—meaning individual and corporate income tax dollars.

Most of my constituents are probably not aware that these changes in 1983 will give beneficiaries from the Baby Boom generation a claim on \$6.85 trillion of income tax revenues—in addition to the payroll tax claim they already have on tomorrow's workers. The

President is proposing to increase the Baby Boomers' claim on income tax dollars to over \$30 trillion. I do not support this change—I believe that we have an obligation to make structural reforms to the program within the current payroll tax structure. I applaud many of my Democratic colleagues who have taken a courageous step in opposing this misguided effort to "save" Social Security through additional income tax dollars. But I want to remind my colleagues on both sides of the aisle that simply setting aside the surplus for Social Security or Medicare reform is not a reform plan—it is a debt reduction plan.

I encourage my colleagues on both sides of the aisle to have an honest and open debate about the way we want to finance and reform the Social Security program. I believe that Congress and the President can and should work together to achieve real structural reforms in the program—and do so in a way that helps low-income Americans and that shares costs across all generations.

In addition, I would argue that we need to modernize the Medicare program to expand choice, increase competition, and include prescription drugs. As those of us who served on the National Bipartisan Commission on the Future of Medicare know through painful experience, Medicare poses an even more difficult problem than Social Security reform. By providing health care coverage, it provides a second essential element of retirement security for older Americans, as well as serving as an important safety net for disabled Americans who can no longer work. Medicare spending is unpredictable and, to a certain extent, uncontrollable—spending growth is largely driven by the amount of health services that beneficiaries use, technological developments in medicine, and—particularly in the future—enrollment growth.

And to complicate matters further, the public is not yet ready to undertake a significant change to the Medicare program. They know how valuable the current program is to themselves, their parents and grandparents. They want to be sure that they have the same coverage, or better, when they retire. And they don't see the need to make hard decisions about spending and benefits.

We need to look at these difficult dynamics and make the difficult choices that are necessary to keep the Medicare program solvent while ensuring that we have the flexibility we need within the Federal budget to address other national priorities. Last week, I voted with nine other Commissioners to adopt a more competitively-based model for financing and administering the Medicare program. I think this type of reform will move us in the right direction by helping us control costs, and ultimately helping us improve benefits. We can't simply pour new general revenues into an un-re-

formed Medicare program, and wait to deal with the larger problems at a later date.

The surpluses that have appeared, in part due to our fiscal discipline, provide us with a unique opportunity to reform our growing entitlements burden. The choices involved in achieving Medicare or Social Security reform are tough—and may even require some tax increases or benefit cuts. The pain of tax increases or benefit cuts will be made much less harsh if we use these budget surpluses to help reform our Social Security and Medicare programs. I do not believe we should use the on-budget surpluses for a debt swap or for a large tax cut that will primarily go to high income individuals. We must avoid the instant gratification of a large tax cut at the expense of the delayed gratification that comes with reforming our entitlement programs and reducing the tax burden on future workers.

I look forward to working with the House, the Senate, and the President to complete this unfinished agenda.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, before the distinguished Senator from Nebraska, Senator KERREY, leaves the floor, I want to congratulate him on his efforts on behalf of sound fiscal policy and good principles for the future and a vision of the future which I believe is an exciting one if we will just bear with it and do what we must do.

It is pretty obvious from the comments he has made here that we ought to be able to reform Medicare and make it live and available for many decades to come. And we ought to do it this year. There is absolutely no reason why we cannot. All we need to know is what the President wants to do. The President has not told us what he wants to do. This budget resolution contains a very valid program, very live and very capable, if the committees can put it together. It doesn't put a plan together; it just says what the resources are and how much is available. I will go into that in a little more detail in my opening remarks, which I will not give now.

There are two Senators who would like to speak now. I ask, on our side, if Senator HELMS could proceed and then I see Senator KENNEDY here. I think he would like to proceed. I do not want to limit him. I wish to make my opening remarks after him and then we will try to stir up an amendment.

If others have opening remarks, I hope they will hurry down here, because I suggest we are talking about our recess. I want to tell you a little bit. What if we have 60 amendments? People will now say we have plenty of time; we have all day today, all day tomorrow, which is Thursday. We have Friday. But people want to start leaving. They say that is 35 hours, 15 each day; that will do it.

Mr. President, if we have 60 amendments, the vote time and the quorum

time surrounding them, since they do not count, the vote time does not count and quorums do not count, that could be 20 hours on its own; 35 hours of debate plus 20 hours to vote, that is 55 hours. This would mean at least 5 full days, well into Sunday, because we do not actually use 15 or 20 hours out of a day. We try to do 8 or 9 or 10. But even if you stay late, you do not get in 15 hours.

So we have to limit our amendments. We are working on that on our side. We also, at some point, have to agree to take less time on amendments than the 2 hours allowed under the statute.

With that, I yield whatever time Senator HELMS needs and then a Democrat can proceed. It will be Senator KENNEDY. Then I would like to be recognized after Senator KENNEDY.

I yield the floor.

THE PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

(The remarks of Mr. HELMS pertaining to the introduction of S. 693 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KENNEDY addressed the chair.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 15 minutes.

First of all, I want to express appreciation to the members of the Budget Committee and, in particular, to our ranking minority member, Senator LAUTENBERG, for the work that he and our other colleagues did in developing a series of positions in the Budget Committee. I will address one of those this morning and refer to another which I hope, over the course of the next couple of days, to come back to.

I think those who are interested in the Nation's priorities, as reflected in the Budget Committee, should read the transcript of the discussion and debate. I had the opportunity to do so. I think they will get a very clear indication, as a result of that review, as to exactly what the priorities were for the Democrats in the budget consideration, which was the preservation of Social Security and the preservation of Medicare.

During the course of debate and discussion, it becomes quite clear—and also by the votes—as to those who are strongly committed to that program. Over the next several hours, we will have a chance to move beyond the rhetoric and into the details of the budget itself. That is going to be quite revealing, Mr. President, because we will have a clear opportunity to make a judgment at the end of these 3 or 4 days as to the very strong position that has been taken by the Democrats in the preservation of Social Security and also the strong commitment that we have in the preservation of Medicare.

I know there are those who have said, "We have a certain amount of funds

that have been allocated within this budget for Medicare; all we are waiting for is the President to make some judgment, make some recommendation." The President has made the most important recommendation, and that is to allocate 15 percent of the surplus to preserve the Medicare Program through the year 2020, some 12 additional years of security for the Medicare Program.

That will be the longest period of time of solvency for the Medicare system since the enactment of Medicare. I will take a few moments later on in the day to comment further on this when we talk about the particular amendment that I will offer, but we have seen over the history of Medicare where there have been interventions for the preservation of Medicare to continue it and continue it in a financially sound way.

Now we have heard the President of the United States say we ought to allocate the resources that are going to preserve this for another 12 years and give it the greatest solvency we have had in the history of the Medicare Program, and then let's get about trying to put in place the kind of reforms that will be sound, taking into consideration the various recommendations that have been made by the Medicare Commission, a few which make sense and others with which I take serious issue. We will have an opportunity to examine those.

I hope our Republican friends—who virtually have been silent in proposing Medicare recommendations, other than to use the 15 percent that the President has recommended and allocate it for tax breaks for wealthy individuals—I hope that they will, during the time that we are out here at least, review with us what their recommendations are, what their proposals are, what their solutions are, rather than constantly harp on the President. He has taken a giant step forward in the allocation of solvency for the Medicare system, and he has also indicated, now that the Medicare Commission has reported, that he will make future recommendations.

If we were to accept the recommendations of our Republican friends, there will be very little in the till at the end of the day to provide protections for our senior citizens. That, I think, is a glaring, glaring loophole in this budget proposal, and one which I know the ranking member of the committee, Senator LAUTENBERG, will address with an amendment and Senator CONRAD with another excellent amendment. And I will offer an amendment, along with others, to give focus and attention to these issues.

There will be a very clear indication, hopefully at the end of the day, as to what really are the priorities for this body in terms of the future of the Medicare system.

Every budget is a statement of national priority. Every budget is really the investment in the future, but the

year 2000 budget is extremely important, not just because it is the first year of the new millennium, but this budget will determine whether the large surplus will be used wisely for the benefit of all or squandered on tax preferences that disproportionately benefit the few.

The President, in his program, after the preservation of funding for Social Security and Medicare, also targeted tax programs that others will address later in the course of this debate. I think those are in areas of very special needs—providing assistance to families with the disabled, child care, and other areas. We will have a chance to review those. They all recognize what is urgent and of great importance, and that is the preservation of Social Security, the preservation of Medicare, and then the targeted tax cuts.

This budget will determine whether Medicare will offer the protections that are so essential for senior citizens in the years ahead. This is the budget that will determine whether we keep medical care in Medicare.

The Republican budget resolution is a thinly veiled assault on Medicare and I think an affront to every senior citizen who has earned the right to affordable health care through a lifetime of hard work. It is a proposal to sacrifice the future of Medicare in order to finance the tax cuts for the wealthy.

Equally as serious is the Republican attempt to privatize Medicare, to misuse the current financial problems of Medicare as an excuse to turn the program over to the tender mercies of the private insurance companies. Of course, there is where the problem started in the 1960s.

This is the same extreme agenda the Republicans pursued unsuccessfully in 1995, 1996, and it was an agenda rejected by President Clinton and Democrats in Congress and the American people, but now our Republican friends are at it again.

According to the most recent projections of the Medicare trustees, if we do nothing else, keeping Medicare solvent for the next 25 years will require benefit cuts of almost 20 percent—massive cuts of hundreds of billions of dollars.

The President's plan makes up most of that shortfall, without any benefit cuts, by investing 15 percent of the surplus in Medicare. This investment avoids the need for any benefit cuts in Medicare for at least the next 21 years. It also gives us the time to develop the policies that can reduce the Medicare costs without also reducing the health care that the elderly need and deserve.

But Republicans in Congress have a different agenda for the surplus. They want to use it to grant the undeserved tax breaks for the wealthiest individuals and corporations in our society regardless of what happens to Medicare. Republicans on the Budget Committee had a clear opportunity to preserve, protect and improve Medicare. All they had to do was adopt the President's proposal for investing the 15 percent of the surplus in Medicare.

Instead of protecting Medicare, they use the surplus to pay for billions of dollars in new tax breaks. You do not need a degree in higher mathematics to understand what is going on here. The Republican budget, I believe, is Medicare malpractice.

Every senior citizen knows and their children and grandchildren know, too, that the elderly cannot afford cuts in Medicare. They are already stretched to the limit, and sometimes beyond the limit, to purchase the health care they need. The out-of-pocket payments by those over 65 now is almost the same percent of what it was prior to the time of the passage of Medicare. They just cannot afford to have the significant and sizable increases that would be assumed if we are not going to provide this 15 percent. Because of the gaps in Medicare and the rising health care costs, Medicare now covers only 50 percent of the health bills of senior citizens.

On average, senior citizens spend 19 percent of their limited income to purchase the health care they need, a larger proportion of what they had to pay before Medicare was enacted a generation ago. Many have to pay more as a proportion of their income. By 2025, if we do nothing, that proportion will have risen to 29 percent—29 percent, Mr. President.

Too often, even with today's Medicare benefits, too many senior citizens have to choose between putting food on the table, paying the rent, or purchasing the health care they need.

The typical Medicare beneficiary is a single woman, 76 years old, living alone, with an annual income of approximately \$10,000. She has one or more chronic illnesses. She is a mother and a grandmother. Yet, we want to cut her Medicare benefits in order to pay for tax breaks for the wealthy.

These are the women who will be unable to see a doctor, who will go without needed prescription drugs or without meals or heat, so that wealthy Americans, earning hundreds of thousands of dollars a year, can have additional thousands of dollars a year in tax breaks. This is the wrong priority. And America knows it is the wrong priority—even if Republicans in Congress do not.

We all recall that 4 years ago Republicans in Congress also tried to slash Medicare to pay for new tax breaks for the wealthy. They tried to slash Medicare by \$270 billion to pay for \$240 billion in tax cuts for wealthy individuals and corporations. We all remember. It was not that long ago.

Mr. President, under the GOP proposal, senior citizens would have seen their premiums skyrocket an additional \$2,400 for elderly couples over the budget period. The deductible that senior citizens pay to see a physician would have doubled. The Medicare eligibility age would have been raised to 67. Protections against extra billing by doctors would have been rolled back.

I can remember the debates we had on that, Mr. President, where you effectively have double billing, where they go on and they take what they get from Medicare, and then they send you another bill on top of that. We spent a long time to address that particular issue. And now it would be reopened again.

Under the guise of preserving Medicare, Republicans had proposed to turn the program over to private insurance companies and force senior citizens to give up their family doctors and join HMOs. But President Clinton and Democrats in Congress stood firm against these regressive proposals, and they were not enacted into law.

Now the Republicans on the Finance Committee and Ways and Means Committee are at it again. They are already drafting new so-called reforms for Medicare. No details have been revealed, but the funds already earmarked for tax breaks for the wealthy under the Republican budget mean there is no alternative to harsh cuts in Medicare.

As we debate these issues this week, the Republican response is predictable. They will deny they have any plans to cut Medicare. They will talk about \$190 billion additional over the period of time. The \$190 billion they will say they are giving additional. That is just to keep the program going. If you cut any of that, you are providing additional kinds of cuts in Medicare. That is what the budget figures themselves show.

Mr. President, they will deny they have any plans to cut Medicare. The American people will not be fooled. They know that the President's plan will put Medicare on a sound financial footing for the next 2 decades without the benefit cuts, tax increases, and raising the retirement age.

They also know the Republican plan will take the surplus, intended for Medicare, and squander it on the tax breaks. They know that the Republican plan for Medicare benefits means benefit cuts for the elderly, not the honest protection of our senior citizens.

This week the Democrats will offer amendments to assure this year's budget protects Medicare, not destroys it. Under our proposal, all the funds the President has proposed to earmark for Medicare will be placed in the Medicare trust fund.

Our proposal will assure the solvency of Medicare for the next 21 years without benefit cuts or tax increases or raising the retirement age. Republicans will have a chance to vote on whether they are sincere about protecting Medicare. The vote on our proposal will test whether they care more about senior citizens or tax breaks.

The Republicans also try to confuse the issue. They will say it is wrong to put the surplus into Medicare. I say the workers of this country are the ones who earned this surplus. They want to use it to protect and preserve Medicare.

Our Republican friends say that dedicating 15 percent of the surplus will not solve Medicare's financial problems beyond 2020. That is true. But assuring the solvency of Medicare for the next 21 years is a giant accomplishment and a clear statement of our national priorities, and it gives us time to develop longer-term programs that will bring down Medicare costs while protecting beneficiaries.

If we fail to dedicate the surplus to Medicare, the only alternative is harsh benefit cuts and steep payroll tax increases to make up the resources that our Democratic plan provides. The choice is clear. Congress must act to preserve the Medicare benefits that seniors depend on.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Fine.

Mr. DOMENICI. I will give additional time.

Mr. KENNEDY. I see my friend and colleague on the floor, the Senator from California. I will come back later in the day.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, thank you for recognizing me.

I note the presence of Senator BOXER. I have not given any opening remarks, and we are trying to line up some amendments.

Mrs. BOXER. I am happy to wait. Please.

Mr. DOMENICI. But that will not preclude opening statements if the Senator has some.

Mrs. BOXER. No problem.

Mr. DOMENICI. Mr. President, I am convinced that, for some obvious reason, the President and some on the other side of the aisle do not want to fix Medicare. I think it might be fair to say they would rather have an issue than to fix it. It is not true of everybody, obviously. I have heard a number of Senators on both sides saying this is the year to reform Medicare. And, clearly, it can be reformed and fixed. There is no question about it. We saw that 10 Members out of 17—bipartisan—came up with a proposal.

I am hoping that after this budget resolution is completed—everybody knows there is plenty of latitude within this budget resolution to reform Medicare; there is nothing about this resolution that denies the opportunity to reform it, repair it, fix it, for many decades to come—I am hopeful that perhaps the White House will tell us what their plan is. I think some of us, in due course, might like to sit down and talk to the President about it. We have all been very, very busy, and clearly this issue has, instead of getting the attention it deserves, sort of slid by, and here it sits with accusations and insinuations instead of reform.

Having said that, I would like to talk just a little bit before I give my remarks about the policy for our Nation

for the next 10 years. I would like to make sure that everybody understands this is the only bill or resolution that, under the law, has a time limit and has a limit on how much you can speak on amendments.

That means that, literally, the time will run out, and the more amendments we have, obviously, the more time it is going to take, because every vote and every quorum call does not count against this statutory timeframe. So if we are not careful and do not try to work together, we could be here well into Saturday, which I do not think anyone wants. We want to get our work done.

I have just stated for the RECORD, so nobody will misunderstand, that we have the rest of today and the rest of tomorrow—and then that is Thursday night. Many think we want to be finished by that time. With the amount of time it takes to vote and the amount of time for debate, we could have very little done by tomorrow night and still have 20 hours left, I guess, or 25, 21. But clearly it puts us a long way from finishing.

I hope amendments will be germane. I intend this year, in a way that will challenge the Senate, to raise some issues about germaneness if some of the proposals have no impact on the budget and are just here to be provocative and to have a vote on something.

Having said that, Mr. President, fellow Senators, I suggest that the United States of America's fiscal policy, economic policy, as far as our Nation's jobs and there being an abundance of jobs for our people, as far as there being good and even better jobs for our people, if they are educated and have some basic skills, when we look at our policy today—our fiscal, economic, monetary policy—we are in absolutely fantastic condition versus the rest of the industrial world.

In fact, we read with genuine concern—not enthusiasm but concern—how a great country like Germany is in the condition they are in. And, frankly, it bears talking about for a minute, because the United States is, and our economy is, strong and vibrant, because essentially we have a probusiness policy in many respects as compared with those who seek under other policies to compete in this world.

We have low taxes compared to Germany. We have many things that promote our competitiveness and help our businesses, large and small, compete, make money, hire people, pay them better, and pay more taxes.

We ought to look out and see what is going wrong in the other parts of the world where their economies aren't working. It is profoundly troublesome to see that the third largest economy in the world, Germany, is floundering. Watch what people are saying. They are saying: "We are overtaxed. We don't have any freedom with reference to labor policies." They are saying: "We have the longest holidays, the longest vacations, people retire the

earliest, they start to work later." That great productive country, built mostly on the high productivity of their people, is faltering.

We ought to learn from that. We ought to look at the next decade and say, How do we keep this prosperity going? I want to say right upfront, regardless of what the White House says about this budget, one way to make sure this prosperity machine and our jobs continue into the next decade is to recognize that there is a genuine surplus besides the Social Security surplus, and we ought to think about how do we use that to make sure that America continues with a prosperity machine and growth.

I submit that to put on hold cutting taxes for the American people is the wrong way to ensure that growth, prosperity, and the creation of jobs. Our opposition, the Democratic Party and the White House, can use every bit of language they can muster to talk about us having the wrong approach to tax cuts. Nobody knows what the tax cuts are going to be under this budget resolution, because the committees of this Congress have to make that decision.

They can get up and talk about tax cuts for the rich all they want, but there is room in this budget resolution to fix the marriage tax penalty. There is room to fix the research credits that our American businesses ought to take. We ought to make it permanent and say they are there so you can grow and prosper and make more and more breakthroughs. There is allowance there for a capital gains change. Yes, there is money there, if it is the will of the Congress, to cut marginal rates.

To say this budget resolution, in that regard, is to cut the taxes of the rich is untrue. Unequivocally, we believe when there is a surplus that is this big, and an American economy that we want to continue to flourish and grow—we have been told there are only three things you can do with a surplus for the good of America.

They are, one, applying the surpluses to the debt to reduce the debt held by the public. People such as Alan Greenspan say if you could find a way to do that, that is the best way. We have put \$1.8 trillion of this surplus, every cent of the Social Security surplus, against the debt.

The President bragged about his budget, reducing the debt held by the public, and how putting money in trust funds but not spending it and waiting to redeem it later with an IOU would reduce the public debt. He said it recently again as he summarized an answer to a question. He reduces the debt held by the public less than this budget because he doesn't put it on the debt. He puts it somewhere where it can be spent. As a matter of fact, in the first 5 years of the President's budget, he spends more than the whole surplus that was accumulated during that period of time, the whole onbudget surplus, that which could be used for tax cuts. Because it doesn't necessarily be-

long to seniors, he spends more than the accumulation of that surplus in this budget.

Now, frankly, there are some who will say the President's budget isn't before the Senate. We are going to make sure it is brought before us. Let's see if we can vote on it, because the President has been claiming things about his budget that are not true. Let me start with one.

There is not one nickel, not one penny, not one dollar, in this budget for prescription drugs. As a matter of fact, there are no new expenditures for Medicare in his budget because he decided to put the surplus away so you couldn't use it for anything else and put it in a trust fund that is not spent for Medicare. Two Cabinet members have told us there is not a nickel in here to be spent on prescription drugs. You wouldn't believe that. That means you have to reform the program to get the prescription drugs.

Mr. President, the Republican budget does a great job with reference to Medicare as compared to the President's. We anxiously await a real plan. Since I don't think there really is one here, we anxiously await his plan. We anxiously await the plan of those on the other side who are critical.

Let's see what their plan is. We increase Medicare spending \$200 billion more than the President over the next decade. He cuts about \$20 billion over the next 10 years, but he would say it is just removing payments from hospitals. That is where the money goes for the Medicare people of this country: It goes to hospitals, doctors, x ray equipment, MRIs, and all the other things. We don't cut that \$20 billion; it is still in the budget. On top of that, about \$100 billion of the surplus is left unused—\$100 billion—to be used in our budget, if necessary, for a Medicare reform package.

I remind Members that the 10 members of the special committee on Medicare, which the President wholeheartedly joined last year in saying let's let them tell us how to do it, didn't even use any extra money and they covered the poor with prescription drugs through the reform of the program. I am not suggesting that the whole thing can be fixed that way, but I give you that example, and we left \$100 billion there for that purpose.

We can go on. But I will proceed now to just evaluate our budget, little by little. First of all, we are beginning to ask the Senate to vote also on whether they want to save and apply to the debt 100 percent of the Social Security surplus. We do that. The reason it is important is because the President doesn't do it.

Now, the President, in the first few years of this, spends Social Security money. But he says if you wait 15 years, there will be enough of it to make Social Security's trust fund whole. Year by year, he uses portions of it until some point out in the future when the amount is small and then he leaves it all in the trust fund.

As I see it, we are going to confront the issue of Medicare here on the floor. We are going to be delighted and pleased to tell the senior citizens of this country that very major Medicare reform awaits the cooperation of the President and that there is ample resources in this budget to take care of that.

I compliment the distinguished Senator from Maine, Ms. SNOWE. She encouraged and got passed unanimously with every Democrat supporting it this source of money that won't be used for anything else but can be used, if desired, to help reform the Medicare.

Let me quickly tick through what we do that we are proud of. One, the budget accounts for every penny of the Social Security trust fund and leaves it in the budget unspent to reduce the debt. Later on, we will introduce legislation to make it near impossible to spend it.

We followed the leadership of the President, the minority leader, and many others, who said maintain the fiscal discipline established in the 1997 agreement. The minority leader challenged us: Don't break the caps, don't break the agreement we entered into 3 years ago. Stick to the caps.

We did that. Now, watch, as the debate progresses; there will be innumerable amendments saying they want more money in domestic accounts. Our question will be, if you are going to stick with the caps, as recommended by your own leader on the minority side, what are you going to cut to make sure you can pay for more than we provided? We provided the caps, the exact amount required by law. Incidentally, some think a budget resolution is in control of these budget spending limits. That statute says if you violate them without changing the law, you will cut every program in the Government. It is called a sequester to enforce the agreed-upon limits.

We return to the American taxpayer overpayments they made to the Federal Government, not only because they are entitled to it, but they should not wait 15 years for a tax cut, as implied or recommended by some. We create a non-Social Security surplus of more than \$100 billion, which I have just described. It preserves the Social Security surplus balances of \$1.8 trillion over the next decade. It is not touched in the expenditure or the tax side of this budget because it belongs to the Social Security trust fund for use in reform and certainly not to spend.

It is interesting on that score, while I am moving along, that nobody is going to vote for the President's budget because, as a matter of fact, in the first 5 years he spends \$158 billion of the surplus belonging to Social Security. After they all vote down here to keep 100 percent, how are they going to vote for the President's budget when it spends it?

The budget resolution has another challenge in it for us. We do not put a

wall up between the defense expenditures and domestic expenditures because things are tight. Senators want the opportunity—and the Budget Committee members wanted to preserve the opportunity—to argue over defense numbers versus domestic numbers. We will see some amendments today that will seek to take money from defense and spend it on something else; that is, if the amendments offered in committee are offered here. That probably won't pass no matter on what you are going to spend the money on the domestic side because we are on the verge of a war, and I am quite sure everybody would be frightened to take money out of defense for domestic programs at this point. But we will probably hear the argument.

So we have increased spending on national security. And, yes, for those who say it is too tight a budget, I repeat, we followed the admonition of the minority leader who said, "Don't break the caps," and it is a fixed dollar number. We used the number. We divvied it up among all the programs of Government. Some don't like the way we apportioned it, but I will tell you that we decided to put more in education, knowing that it will not go for categorical programs in education of the past but will go down to the local level to be spent on reform measures, so long as there is accountability as one of the qualities.

We put \$3.3 billion more in the first year and \$28 billion over the next 5 years. That is over and above the \$100 billion we would expend in the next 5 years. That is far in excess of what the President was able to do. Yet, the President said, "I am bound by the same caps and I am following them." So we are following them also. We just decided other parts of Government could be cut more than he suggested, and we put it in priorities like defense and education.

And, yes, the President speaks of what values do you reflect in the budget. I have just expressed them. The taxpayers—we worry about them. One of our values is to see that they don't overpay their Government. Secondly, we want more for education. We are in an era of reform, and we are willing to say let's put more in because it will be helpful to reform the educational process. We said the President didn't put in enough for veterans. We put in \$1.1 billion more for veterans. That is our value. How can you take the medical system for veterans and cut it and not give it a slight increase, which everybody knows it needs? We fully funded all the crime prevention laws, the trust-funded money that goes into crime prevention. These are good priorities.

There will be some who will stand up and say, yes, they are good, but you had to reduce foreign aid. Well, so be it. If we are going to all live by the same numbers, then let's all talk about priorities. I remind everyone, if they want to exceed the targets, those caps,

those limits on expenditures, clearly they need 60 votes to do it because it violates the Budget Act. That is how important it is. It is a major hurdle because we wanted fiscal responsibility. I am willing to listen to how difficult it will be to live within those limits. I understand it is. I don't have a solution right now because I don't see how you can report a budget resolution out that violates the budget law of the land. I don't see how you can do that. I choose not to do that. The committee chose overwhelmingly not to do that.

I might just suggest, if people are wondering about where the money might come from to establish the right priorities and still have to reduce other programs, the GAO recently reviewed the budget and they have a high-risk series which lists 26 areas in this budget this year—nearly 40 percent—which have been high risk for 10 years. High risk, by definition, is programs that are vulnerable to waste, fraud and error. We leave them there. For the most part, we increase them every year, and we ask GAO to tell us which are the risky programs that we probably won't get our dollar's worth from. Then we do nothing about it.

Second, it is clear that some programs won't grow and will remain at the 1999 level and will have to be reduced below a freeze, as the President's budget requested. We are going to take some of where he cut and reduced. I suggest that the committees and the administration take to heart the Government Performance and Results Act, which specifically identifies low-performing and inefficient programs. I am sure some Senators are hearing for the first time that such lists and assessments and evaluations exist.

This resolution assumes reduced funding for political appointees in the administration. It assumes some mandatory savings scored to appropriators in the area of the SSI Program and child support and enforcement.

The resolution assumes repeal of the depression era and arcane Davis-Bacon and Service Contract Act and other administrative savings.

The resolution assumes that Ginnie Mae will become a private operation and its auction creates nearly \$2.8 billion in offsets next year.

And, yes, the resolution assumes some of the administration's proposed offsets, fees, are assumed for various agencies in the Federal Government—FSIS and the President's proposed \$200 million broadcasters lease fee.

In the area of mandatory savings. The resolution does not assume any of the President's nearly \$20 billion reductions in Medicare over the next five years. Medicare spending will indeed increase from \$195 billion this year by over \$200 billion to a total of \$395 billion in 2009, an annual increase of 7.3 percent.

And the resolution assumes \$6.0 billion in additional resources will be allocated to the Agriculture Committee to address the issue of depressed incomes in that sector.

Finally, the resolution assumes that expiring savings provisions in 2002, that were enacted in the 1997 Balanced Budget agreement, will be extended. This applies to all such provisions except expiring Medicare savings provisions. Between 2003 and 2009 these provisions would save less than \$20 billion.

For revenues the resolution assumes that tax reductions will be phased in and over the next five years will return overpayments to the American public of nearly \$142 billion and \$778 billion over the next ten years. For 2000, paid for tax cuts of up to \$15 billion are possible.

How these tax reductions are carried out will of course be determined by the Finance Committee and ultimately the Congress and the President.

However, I believe elimination or reduction in the marriage penalty could easily be accommodated within these levels as well as extension of expiring R&D tax credits, self employed health insurance deductions, certain education credits and or general reductions in tax rates phased in over time.

Finally, the resolution, being cautious, over a 10 year period, projects a non-budget surplus of over \$100 billion. This money could be needed for unexpected emergencies or contingencies, it also could support the cost of funding transition costs for Medicare reform, or if nothing else it will continue to further retire debt held by the public.

Two procedural issues need to be noted—a rule change as it relates to defining emergencies and a clarification that when there is an on-budget surplus, those amounts are not subject to pay-go rules.

Let me close by saying that under this resolution, debt held by the public will decline by nearly \$463 billion more than under the President's budget.

This is true even if one treats the President's government equity purchases as debt reduction.

Why do we reduce debt more than the President?

First, the President spends \$158 billion of the Social Security surplus over the next 5 years. In contrast, the committee reported resolution saves the entire Social Security surplus.

And second, let me remind the Senate of one other thing about the President's spending proposal which may surprise many—his spending costs more than the resolution's assumed tax reductions. This is true over both the 5 year and 10 year period.

The President's budget spends 35 percent of the Social Security surplus over the next five years on programs unrelated to Social Security or Medicare.

The resolution before us today assumes that we return to the American taxpayer their overpayments and this sum of money is less smaller than the President's spending increases.

That is why we can save the entire Social Security surplus and why he can not.

That is also why the administration is opposed to the Social Security lock

box idea, because that would stop them from spending the Social Security surplus.

We will have more to say about the President's budget plan later in the debate, when we let the full Senate consider whether they want to support his budget plan or not.

For now however, what is before the Senate is S. Con. Res. 20. It is a good resolution. It is a reasonable resolution.

Once again it does four things:

It protects 100% Social Security surpluses.

It maintains the fiscal discipline this Senate overwhelmingly supported in 1997 and was most recently reaffirmed by the minority leader.

It returns to the American public their tax overpayments.

And finally, it prudently and cautiously projects on-budget surpluses for further debt reduction or for supporting unexpected emergencies, and possible transition costs for true Medicare reform like the one recently voted on by 11 of the 17 members of the National Commission on the future of Medicare.

It is a good start on budgeting into the next century.

Mr. President, I will also comment on those from the agricultural sectors. We got your letter and your concerns of a bipartisan nature. The resolution assumes \$6 billion in additional resources to be allocated to the Agriculture Committee to address issues of the depressed parts of the agricultural community.

I am going to stop at this time and merely indicate that this debate will proceed. Amendments will be forthcoming. I am hopeful that when the day ends, we will have a budget resolution similar to this one, and let's see how the year evolves as we try to implement it.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I thank the chairman. I have an understanding that we are going to go from side to side. At this point, I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Thank you so much, Mr. President. I thank the chairman and the ranking member, Senator LAUTENBERG.

I was so pleased to be a member of the Senate Budget Committee in the House. I was on the House Budget Committee for 6 years. To me, the Budget Committee is very important, because what we in essence do is present a roadmap for the priorities of this country. I think it is key to the people, the decisions we make here. How much are we going to spend on education? How much are we going to spend on Social Security, Medicare? How much are we going to spend on the military? And on and on—Border Patrol. Every single item comes under scrutiny in the Budget Committee. Although we may not make detailed recommendations,

we essentially say to the American people—and we have to feel good about what we do—this is how we are going to spend the taxpayers' money and we hope you will be pleased with it.

Mr. President, I am not pleased with what we do about Medicare in this budget. That is what brings me to my feet today.

The President took the leadership on this budget when he challenged Congress—Members on both sides of the aisle—to save Social Security and Medicare and to do something about the low rate of savings in America today. So he came forward with a very good suggestion. He said set aside 62 percent of the surplus for Social Security, set aside 15 percent of the surplus for Medicare, and set aside 12 percent of the surplus for targeted tax cuts, which will help our people increase their savings for the future.

The good news is that both sides of the aisle have agreed on Social Security. Both sides in the Senate have agreed to set aside every penny of the Social Security surplus every year for Social Security. The bad news is that nothing—I say “nothing”—was done for Medicare by the Republicans in this committee. We tried to work with them. Senators LAUTENBERG and CONRAD spoke eloquently on the point and offered a number of amendments. They will do so again. Yet, on a straight party line vote, we were unable to budge our Republican friends.

I have to say this: Having seen a parent wind up in a very difficult position in a nursing home and having seen her be able to hold her head up high because she has Social Security and Medicare, they are twin pillars of the social safety net. Why do I say this? Because if you ask our elderly what they fear, what they fear is getting sick and they cannot rely on their Medicare. If their Medicare becomes out of reach for them, if it no longer protects them, then they will have to use their Social Security to pay for their health care costs, and they will wind up in very bad shape.

So, to me, you can't stand up with a straight face and say you are helping seniors in this country, you are helping our people get through their golden years, if you do not help Medicare, as well as Social Security.

There are those on the other side who we will hear say, “Oh, these Democrats. All they want to do is throw money at Medicare. They don't want to reform it.” That isn't so. But we do know we need to do both. We need to set aside funds from the surplus to get us through these years coming for Medicare; also, let's look at the reforms of the program.

As Senator KENNEDY said, the proposal we will put before the Senate will save Medicare through the year 2020. That is nothing to scoff at. Then we have the time to work on the reforms. We need to make sure that those reforms, in fact, are good reforms and that “reform” does not become another

word for “repeal.” We don't want to repeal Medicare. We don't want to change Medicare in such a way that it no longer is that peace of mind for our seniors. We want to fix it so that it continues to work.

I hope it will be different on the Senate floor than it was in the committee. Shockingly, almost every vote, almost every vote—I will not say every amendment, but certainly every vote—to save Medicare was a straight party line. We see more and more of it. I see Senator MURRAY on the floor, a member of this committee, who was talking to me about how shocked she was that in the markup of the Patients' Bill of Rights it was party line all the way. What has become of us?

These are issues we should work together on. I am sad that we are not able to do it. On the other hand, I recognize that there are legitimate differences between the parties. It is for the people to judge as to who they feel is going to keep Medicare going.

I want to share a couple of charts with you. It seems to me that what we ought to be doing in this budget is securing America's future. In the budget we envision, and the kind of amendments we will be offering, we want to do a few things. We want to save Social Security. I again credit my Republican friends. We have worked together. This is done.

We also want to strengthen Medicare. Mr. President, it is not done in this budget. There isn't a slim dime set aside for Medicare, despite the fact that we were talking about last year what we would do with the tobacco tax, should it be enacted. Members on the other side of the aisle said: If you have extra funds, save Medicare. I don't know what happened. We will hear more about that in the debate as it unfolds.

Also, we should cut taxes to help ordinary Americans save. Those kinds of targeted tax cuts, more modest than the ones in the budget before us, are the ones we ought to be supporting. So, yes, we support tax cuts, but we want them to go to ordinary Americans who need those tax cuts. Yes, we want to strengthen Medicare by setting aside 15 percent of the surplus for Medicare.

I think it is stunning to look at this budget. This is what this budget does with the surplus vis-a-vis Medicare and tax cuts. My Republican friends will say, “Well, we do spend money on Medicare.” Yes, they spend the money. But nothing out of the surplus—nothing to address the problem in the future once we have a problem.

The good news story is that we are living longer. This is good. All the work we do around here to increase spending on health research is paying off. All the investment we make in the private sector and make in high technology is paying off. People are living longer. This is good; this isn't something to be sad about. But yet it has to be addressed. If we don't address it, we not only hurt the aging population, but

the children of the aging population whose problem it will be when mom and pop can no longer afford health insurance—and they may be uninsured—or have to dip into their pocket to a great extent when hit with a disease.

Just take a look at this. I ask the question, Is it fair? Is it fair? Tax cuts—\$1.7 trillion; zero investment in Medicare out of the surplus. I don't see how this could be supported. Senators LAUTENBERG, CONRAD, KENNEDY, and others will be offering us an opportunity to do something about this. I hope we will.

I have a final chart that I want to show.

So you say to yourself, OK, the Republicans are giving these tax cuts out of the surplus; not a dime for Medicare. Who is getting the benefit? My friends, I have to tell you, if you earn over \$833,000 a year, you are going to get a good benefit from this Republican tax plan because you are going to get an average of \$20,697 back a year.

In other words, the top 1 percent will average \$20,697 a year back in their taxes. That is twice as much almost as the minimum wage. And we can't get support from the other side of the aisle to raise the minimum wage. People who get up and work hard, get dirt under their fingernails every day, earn about \$11,000 a year. We can't get anyone to raise it again.

But look at this, folks: \$20,697 average back to the top 1 percent every year, and the bottom 60 percent of taxpayers, that is, whose income is below \$38,000, get back \$99. This is paid for by essentially ignoring Medicare. I say to my friends: \$99 a year; yes, it is good to get that back. But how far does that go when mom and dad call you and say, "My Medicare premiums just went up a huge amount. You have to help me; I can't pay the premium"? I say that \$99 will be gone pretty darned quick.

So I just don't think it is fair. I respect my friends. They think this is good policy. I know they believe it in their hearts. As a matter of fact, shockingly—I had an amendment in the committee. Do you know what it said? It said that the substantial benefits of the Tax Code, of any Tax Code that winds its way through here, should go to the first 85 percent of taxpayers rather than the top 15 percent. And to my shock, my dear colleagues on the other side would not even let us vote. They had a substitute. They did not like it. They supported it last year, but they said this year times are different. They do not support it now.

So the reason I love this debate, on the one hand, is there are such clear differences in the philosophy of the parties, as evidenced by the votes that were taken in the Budget Committee. But I have to say I was disappointed. Even an amendment I offered—and I know, again, my colleagues will speak on their own amendments—that simply said without adding a penny let's make sure we fund afterschool programs out of the increase in the education budget,

except for one colleague, every Republican voted it down. One Republican colleague joined me, but it failed on an 11-11 vote. They will not even say that afterschool care should be a priority within the education budget, because the philosophy is let the local government decide.

What if the local government decided to spend it to put a shower in the principal's office instead of on afterschool? I think there ought to be some accountability for the tax dollars we send back. We are not saying you have to use it. We are saying if you apply for the funds, whether it is for afterschool or more teachers in the classroom—we could not even get a vote "yes" on that one. So I am proud to be here today to stand up for the priorities I started off talking about: Saving Social Security—which I give my friends credit for, we do—or strengthening Medicare, which they do not do. We are going to offer some amendments, so we hope they will do it. And to cut taxes, not for the wealthiest Americans, but for ordinary Americans.

I want to say a word to my colleague, Senator LAUTENBERG. He and Senator DOMENICI may not agree, but they get along and it is a wonderful thing for us to see. Because, as tough as it is to disagree on these issues, there is a certain friendship and comity that pervades that committee because of their example. I thank them for that. I hope my colleague, Senator LAUTENBERG, will rethink his decision to retire because we will miss him too much.

But the amendments that he will offer symbolize what he is about, which is standing up and fighting for the little people, the people who need us. Before Medicare, we had old men and women destitute, destitute. And my friend, Senator LAUTENBERG, is an example of the American dream when he tells me the story of his mother who ran a bakery. She was widowed and she raised her family.

He served his country. He became a very successful businessman, and against his own economic interests, takes positions here that are for the good of the people. As he stands up and talks about Medicare, I know it is from the heart. I hope we will follow his leadership. I hope we will get a bipartisan vote to save Medicare.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am going to yield as much time to Senator GRAMM as he would like, although I am going to ask him in the interest of others to do a little less than the 1 hour he would give to his class in economics over there at Texas A&M.

But I want to read something to the Senate before I yield to him, just in response to my good friend, Senator BOXER from California. She suggested we would not accept her resolution with reference to what the tax cut should be all about. Let me read what the committee adopted unanimously. I

think it is a pretty good definition of what we ought to do with the tax cut:

It is the sense of the Senate that this concurrent resolution on the budget assumes any reductions in taxes should be structured to benefit working families by providing family tax relief and incentives to stimulate savings, investment, job creation, and economic growth.

I think those are the kinds of things we all ought to be looking at in a tax package as it moves its way through.

I yield to Senator GRAMM.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Texas.

Mr. GRAMM. Mr. President, I am going to talk mostly about Social Security and Medicare, but I want to answer two of the points that our dear colleague from California raised. First, she says, Is it fair to give a tax cut and to give nothing to Medicare? The Domenici budget gives this big tax cut and gives nothing to Medicare. Let me just change the question a little. It is not, Is it fair? The question is, Is it true? And the answer is no.

Let me just ask our colleagues to look at page 54 of the report on the concurrent budget resolution for the fiscal year 2000. This is the budget reported from the Budget Committee. It provides, beginning this year, for Medicare, \$194.6 billion, and by 2009 that has risen to \$394.2 billion. So the Domenici budget provides \$199 billion of additional money for Medicare by the end of the 10-year period.

Let me just make two points. No. 1, Medicare has never grown by more than it grows under the Domenici budget. No. 2, no program has ever grown as much as Medicare grows over this 10-year period. There is not one cut in one Medicare benefit in the Domenici budget. In fact, the President's budget cuts the Medicare Program. The Domenici budget fully funds it.

So we all have a right to our opinions, but we do not have a right to our facts.

Mrs. BOXER. Will the Senator yield for a retort?

Mr. GRAMM. I will be happy to yield.

Mrs. BOXER. What I said clearly is of course there is funding there for Medicare. I said: Out of the surplus. There was nothing out of the surplus. I was very clear to state of course the committee takes care of Medicare under the current condition, but doesn't take anything out of the surplus.

Mr. GRAMM. I thank the Senator for the clarification, but the point is every penny of this \$199 billion is out of the surplus because, if it were not provided, that money would be in the surplus. The point is, and I want to be sure nobody is confused, the Domenici budget provides full funding for Medicare over the next 10 years. It has not one cut in one benefit anywhere for Medicare. In fact, no budget in the history of America has provided the funding increase for Medicare that is provided in this budget, and no program, except the buildup for a war effort, in the history of mankind has ever provided the

increase we provide for Medicare. So no one should get the impression that in any way this budget does not fully fund Medicare. It does.

Second, and I do not want to get off on this same old debate, dragging the same old dead cat across the table, but it is always an amazing thing to me that when Democrats talk about tax cuts, they think it is always for rich people. When I heard the story, that Senator DOMENICI's mama was out picking lettuce and she started having Senator DOMENICI, and they took her in the house and Senator DOMENICI was born in this house. I don't know why anyone would think Senator DOMENICI does not love working people. I don't know why our Democrat colleagues, most of whom are very wealthy people, why they have this monopoly on loving poor people and Senator DOMENICI, the child of an immigrant family, somehow he does not love working people.

Let me tell you what the whole paradox is about. Our colleagues on the Democrat side of this body have discovered that we have a progressive income tax. Senator DOMENICI, what that means is that American workers in the bottom half of the income scale pay virtually no income taxes. And people who are in the higher income brackets pay very high levels of income taxes.

So, for example, if we had an across-the-board tax cut where we reduced everybody's taxes by 10 percent, a proposal that was made by John F. Kennedy who, last time I looked, was a Democrat—of course he believed that rising tides lift all boats. I don't know if Democrats still believe that. It was President Kennedy, in 1961, who proposed an across-the-board tax cut. "Let's get America moving again" was the Kennedy slogan.

When you cut taxes across the board, there are two things that everybody ought to understand, because our Democrat colleagues are going to go on and on and on about it. No. 1 is, some people do not get a tax cut if you cut income taxes across the board. Why? Because they don't pay income taxes. Some people don't get Medicare because they are not senior citizens. Some people don't get welfare because they are not poor. Some people don't get Senate salaries because they don't work for the Senate. But tax cuts are for taxpayers. You don't pay taxes, you don't get a tax cut.

Secondly, some people will get a bigger tax cut with an across-the-board tax cut than others. That shouldn't come as any shock, because some people pay more income tax than others. This budget does not make this judgment; this budget simply provides money for a tax cut. We will decide in the Finance Committee what it is.

I personally support an across-the-board tax cut. If you want to figure out how much you get—it is very simple and couldn't be fairer, in my opinion—take the amount you pay, take 10 percent of it, that is how much you would save if we had a 10 percent across-the-

board tax cut. If you don't pay any income taxes, you don't get any tax cut. If you pay a little income taxes, you get a little tax cut. If you pay a lot of income taxes, you get a lot of tax cuts, but you don't get back what you don't pay. Simple formula.

Let me talk about my two issues.

The President, 2 years ago, said in the State of the Union Address a brilliant line—"Save Social Security first." It was a brilliant line. Everybody stood up and applauded. We waited a whole year and the President never told us how to save Social Security first, last, or ever—never had a program. It was simply a bumper sticker, a slogan. Then this year the President said, "Oh, the year has come for us to save Social Security." He said, "Don't just save it first; save it now." We all stood up, standing ovation. We all applauded.

And we had a big conference down at the White House. One of my Democrat colleagues was smart enough not to go. He had already figured out that this was a political sham. But I went. I sat through all these meetings. I sat in a meeting with the President. We had about 60 Members of Congress there. He went around the room and asked people their opinion, agreed with everybody. Then, when we left, we waited for a program.

Finally, the program came. Let me say, not to mince words but to be precise with the English language, it was a total and complete political cop-out. It was a political punt. It was a program that basically said: We are not going to make any decision other than we are going to claim that we are locking all this money away for Social Security. I am going to explain how the hoax works.

The second issue that is a major disappointment in the President's budget and the President's proposal is Medicare. I was appointed to the Medicare Commission led by Senator BREAU, a Democrat. We put together a bipartisan coalition to save Medicare. The President killed the Commission. Then he makes a proposal that does not give Medicare a dime, not a dime of new resources. It simply reduces debt and gives Medicare credit for it in a sort of nebulous IOU that can't be spent for 15 years, and can only be spent then if we raise taxes or cut other spending to redeem the IOUs.

I want to talk about Social Security and Medicare the way Bill Clinton does it. A lot of my colleagues have racked their brains to try to figure out how the President saves Social Security. Let me explain it to you. I have a chart here, and I hope people can follow it.

What I show on the first chart is plotting out over time the Social Security surplus, which starts out here at the current level of \$137.6 billion and then it grows over time. That is the amount of money we are taking in, in Social Security taxes, that we are not spending on benefits, plus the interest we are earning on the IOUs that Social

Security has from the Federal Government.

In addition to the Social Security surplus, we have a general budget surplus from the rest of government that is shown here as B. The total budget surplus, counting the Social Security surplus and the non-Social Security surplus, is the combination of the two I have shown in blue here.

Here is what the President does. The President takes the Social Security surplus, which this year is \$137.6 billion. They have a guy over in the Treasury who puts into a computer the number \$137.6 billion, and out in West Virginia there is this little Federal office with a steel filing cabinet. They have a printout machine, and this prints out this IOU for \$137.6 billion. I have seen them on television—at least a man and a woman working there. They may have 10,000 people, but I have seen only 2. The guy normally does it. He goes up and he takes it off the machine, tears it off, takes the perforated edges off, and takes the carbon copy off. Then he puts it in that metal filing cabinet. This is an IOU from the Government to the Social Security Administration. This literally happens. That is the \$137 billion.

The problem is, we do not have \$137 billion, because the unified surplus, when you add the two together, Social Security and non-Social Security, is only \$134.6 billion, because we are running an actual deficit in the non-Social Security part of the budget of \$2.9 billion.

What the President does is, he takes the \$134.6 billion we have in cash and he says: Let's take 62 percent of that. That 62 percent is shown in light green here. That is 62 percent of the total budget surplus. He says: Let's spend 38 percent of that. Now, that is \$52.3 billion.

Remember, every penny of this surplus is Social Security, but in his budget he spends \$53 billion of this surplus. Then he says: We are going to give Social Security \$83.5 billion. So they already have this IOU in West Virginia for the blue, the Social Security surplus, and now we are going to give them an IOU for the green, 62% of the unified surplus, which of course came from the Social Security surplus.

So what we do, we start with \$137.6 billion in Social Security surplus. We don't really have it. We are \$2.9 billion short, because we already spent that. The President prints out an IOU in West Virginia, and then he takes \$134 billion, every penny from Social Security, and he spends \$52 billion of it. Then he takes \$83 billion that is left and gives it to Social Security again.

You might ask, how, with \$134 billion, do you give Social Security \$221 billion? Well, how you do it is, you give them \$137.6 billion and you already have spent \$2.9 billion so you have \$134 billion. You spend another 38 percent of it, and that leaves you with \$83 billion, and you gave that to Social Security.

So what the President has done is double-counted \$83.5 billion of the Social Security surplus.

The amazing thing to me is that Senator DOMENICI, Senator LAUTENBERG, and I have seen many budgets come and go, and we know we have seen administrations, Democrat and Republican, who made rosy assumptions about the future—of course, nobody knew what was going to happen in the future—that did all kinds of things, but nothing of the scale of double-counting the Social Security trust fund. In the 20 years in the House and the Senate that I have watched budgets come and I have watched them go—more go than come, in many cases—I have never before seen the level of dishonesty that exists in the budget President Clinton has submitted this year.

It is not rosy assumptions about the future, it is plain fraudulent bookkeeping.

The amazing thing to me—having appeared on television with senior officials of the Clinton administration to talk about this issue, having listened to them in testimony—is how educated people who have credibility independent of serving in the Clinton administration can come before the public and come before the Congress and defend this; it is totally beyond my comprehension.

It is totally beyond my ability to understand the willingness of people to say something that they know, because every one of them took freshman accounting in college—if a freshman economic student at Harvard had proposed this double-counting scheme, our dear colleague, Larry Summers, the smartest guy in the Clinton administration, would have given him an F. And yet poor Larry Summers is dragged on CBS television to defend double-counting bookkeeping.

Having gone through it, let me just show you some of the manifestations of it. If you take the President's budget, he claims that he is locking away \$5.8 trillion for Social Security in the future. Remember, these are all IOUs, and it does not make any difference whether you have one or you have a cigar box full. They all are commitments for which we are going to raise taxes, cut spending, or borrow money in the future. But I am simply talking about gimmicks.

The President claims \$5.8 trillion that he has put in the Social Security trust fund. But yet when you look at what he has actually locked away, it is only \$2.2 trillion. Let me just show you the numbers from his own budget.

This is the first document that comes from the Social Security Administration, and it shows the President's proposal:

Under the President's plan, the Social Security trust fund will rise from \$864 billion to \$6.6 trillion, an increase of \$5.8 trillion during the year 2000 to 2014.

That is what the President says he is doing, locking away \$5.8 trillion for Social Security. But when you actually

look, I say to Senator DOMENICI, at the President's budget from the Office of Management and Budget, there is a "Social Security lockbox transfer used to redeem debt." They are not redeeming \$5.8 trillion, the amount set aside for Social Security, they are redeeming \$2.183 trillion.

What happened to the other \$3.6 trillion? It is missing. You cannot find it in their books. What happened to it? It is a funny thing about double-counting bookkeeping, you can double count all you want, but when you finally open up the box, you only have in there what you put in there. That is basically what the President does.

When our colleagues on the Democratic side of the aisle say the President does these great things for Social Security, what he does for Social Security is double count the entries he is making in the Social Security trust fund, but nothing the President does in any way will pay any benefit past 2012 because at that point we open this box, and all it has is IOUs. Then we have to raise taxes or cut spending or cut Social Security benefits, or we have to borrow money to pay for it.

Finally, let me read you a quote. Probably the best summary of the Clinton Social Security proposal was in a major article by David E. Rosenbaum in the New York Times on March 24. Here is his summary of what he calls "the shell game" in the Clinton Social Security proposal. Listen to this quote. He is talking about the Clinton plan on Social Security:

The plan does nothing more than throw new IOUs at the problem and avoids tough choices needed to keep subsequent generations from having to pay the bills for the retirement of the baby boomers.

What is being called a plan to save Social Security is, in fact, a phony bookkeeping scheme to double count the number of IOUs put into Social Security. Not only is it fraudulent, but it is a hoax, because the IOUs in Social Security do nothing to pay benefits. You cannot pay benefits with IOUs. You have to have money, and the only way you can get money is to tax or to cut spending or to borrow the money from the general public.

The second hoax in the Clinton budget is the hoax of Medicare. This year, the President killed the Medicare Commission report, and his alternative to it was to send an IOU to Medicare. He said, going back to this surplus, "Look, we started out with \$134 billion and we gave \$221 billion of it to Social Security. That worked great. Having taken 134 and given 221 of the 134 to Social Security, why don't we give 15 percent to Medicare? It worked great for Social Security, let's do it for Medicare."

So what he does is he sends this meaningless IOU to Medicare only, as Senator DOMENICI was the first to discover, there is a big caveat on this IOU, and that is, you cannot spend it. He does not provide any new benefits.

He talks about drug benefits and how wonderful it would be to have them,

but he provides not one penny for drug benefits. None of this money can be spent under the President's budget. It is simply a meaningless IOU. I guess we will open another office in West Virginia and we will hire people and they will print out the IOU for Medicare and put it in a metal filing cabinet, but does it fund one prescription drug? No. Does it pay for one day in the hospital? No. Does it pay for one home health care visit? No.

If it does not do any of those things, what good is it? It is good because it is a political weapon. The President can say, "I gave 15 percent of the surplus to Medicare." You cannot spend it. It will not buy any of these things, but I did it.

The point is, Senator DOMENICI could have done all these things, and more, if he were willing to use phony bookkeeping. But thank goodness he is not willing to use phony bookkeeping. He did fund—fully fund—for 10 years Medicare.

Mr. DOMENICI. Will the Senator yield?

Mr. GRAMM. Let me make a concluding point, and then I will be happy to yield.

The President had a once-in-a-lifetime opportunity to save Social Security this year, and he did not do it. The President had a once-in-a-lifetime opportunity with a bipartisan commission to plant the seeds to save Medicare, and he did not do it. To use a parody on a very famous commercial, the Presidency is a terrible thing to waste, and President Clinton has wasted Presidential leadership on Medicare and Social Security with phony programs that serve no purpose except to mislead the American public and to prevent real debate on these issues.

I will be happy to yield.

Mr. DOMENICI. Mr. President, I want to ask the Senator, in terms of the President transferring some balances into the Medicare trust fund and taking IOUs back, we all know right now there is an assessment of when the Medicare Program will stop generating enough money to pay its bills. Remember, that date is 2008—

Mr. GRAMM. That is right.

Mr. DOMENICI. When there will be less money coming in than the bills calling for it.

Does the President's plan change that fact?

Mr. GRAMM. No. In fact, it provides no new money in the year 2008 to cover that deficit.

Mr. DOMENICI. Thank you.

Mr. GRAMM. I say, in conclusion, that the Domenici budget has a real process to lower the debt limit that the Government operates under to assure that not one penny of Social Security money will be spent on anything else. We will have a vote on that lockbox. Many people who say, "We want to stop the plundering of Social Security," will have an opportunity to do it, because the Domenici proposal will stop Social Security money being spent

for any other purpose. I intend to support it.

I congratulate Senator DOMENICI. And I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I ask that Senator MURRAY of Washington be recognized.

The PRESIDING OFFICER. The Senator from Washington, Senator MURRAY, is recognized.

Mrs. MURRAY. I thank my colleague from New Jersey, the ranking member on the Budget Committee, who has worked with us for a number of years in putting together these budgets. I join my colleagues in wishing him well on his retirement and thank him for the work he has done for so many people throughout his career.

Mr. President, I rise today to express my strong opposition to the pending fiscal year 2000 budget resolution that is before us here today and my deep concern and disappointment with the priorities that have been laid out in this budget. I remind my colleagues that budgets are not about today; they are about tomorrow. Failure to establish a framework for Federal spending that focuses on the future is a serious mistake.

Last week during the consideration of the resolution in the Budget Committee, I was really amazed at our lack of focus on investing in our future and our complete disregard for the impact of the decisions we were making on hard-working families. The mistake that we all made during committee consideration was our failure to put a human face on our discussions. We simply lost sight of the human and social costs of our decisions.

The focus of this budget that is before us and the focus of the debate in committee seemed to be based solely on politically expedient tax cuts. There was no discussion on extending the solvency of Social Security or Medicare and what our failure to address these issues will mean for working families. There was no attempt to address the shortfalls in our investment in public education, our public health, environment, veterans health care, child care, food safety, Older Americans Act, Medicare, Medicaid. These are not just spending programs, these are investments in our quality of life and in our future economic security.

When we talk about education, a lot of the talk we hear on the floor is jargon—jargon—about flexibility and block grants and Federal mandates. No one talks about walking into a classroom of 40 young children and looking into their faces as they struggle to learn. I cannot say strongly enough, there are human costs to the decisions that we are making in this budget.

I have talked to children our decisions affect. I have talked to their teachers and their parents. I know they are not interested in political double-

talk. What they want to know is, What are we doing to prepare them for the challenges of the next century? What are we doing to invest in our young children so that they have the ability to get a job when they graduate? Are we addressing the huge class sizes that our children face every day and their inability to learn math and reading and science? Are we addressing the issue of the crumbling schools that many of our children go to every day? Are we addressing the fact that our teachers need to be educated and trained to be able to teach the skills that we require of them today?

That is what parents and students and communities and business leaders are looking for in this budget. That is what we have failed to address.

I see the same lack of focus in dealing with Medicare. I am glad there is a bipartisan agreement to protect the Social Security trust fund. That one step alone will do a lot to restore integrity to the program and return confidence to the Social Security system. However, I am very troubled by the lack of commitment to Medicare.

In reviewing the committee's report to accommodate the resolution, the priority appears to be one thing, and that is tax cuts. The resolution assumes tax cuts totaling almost \$700 billion over 10 years but very little mention of how we are going to invest the surplus in providing equal, affordable health care for our Nation's senior citizens. Again, this resolution places a higher priority on compensation as opposed to investment.

I want to know how we are going to explain to an 83-year-old widow that Congress has decided that a tax cut is more important than providing her with quality, affordable health care.

The fastest growing segment of our population living in poverty is those over the age of 65. All of the investments we have made, from Social Security to Medicare to the Older Americans Act, that have ensured a quality standard of living for those over 65, are jeopardized by a simple fact, and that simple fact is that the population over 65 is increasing faster than we are ready for. We have an opportunity, with the surplus in front of us, to invest a portion of that into Medicare in order to extend the solvency without making devastating and dangerous cuts.

Reform of Medicare must be carefully considered and executed. We cannot change the program overnight without harmful implications. The budget resolution we are dealing with here today fails to address the immediate and long-term problems of Medicare, and, once again, there is no discussion of the human cost of the decisions we are making.

I have spoken with that 83-year-old widow who sometimes has to choose between hundreds of dollars a year in prescription drugs and food. How do I explain that, under this, she could face an additional \$2,498 a year in Medicare

premiums? How do you justify increasing the burden on individuals whose average income is slightly less than \$13,000 a year?

I ask my colleagues to stop and reconsider their priorities. I have heard some of my colleagues talking about the need to return the "people's money" to the people. Well, I agree. Families have worked hard and paid their taxes with the belief that Medicare would provide for their parents as well as themselves when they retire. Medicare allows the elderly independence and dignity in the final years of their lives. I believe investing the surplus into Medicare is returning the people's money to the people.

As I stated earlier, I am pleased that there is a bipartisan commitment to save the Social Security trust fund surplus. This will allow greater flexibility in reforming the system and improving current benefits. And I was pleased with the bipartisan support for the amendment I offered in committee regarding the impact of Social Security reform on women.

Up until now, the only discussion about women and Social Security reform has been very vague statements about "taking care" of them. I believe that very few understand the unique circumstances of women who, throughout their working life and in retirement, face very different decisions and circumstances, where women tend to be out of the workforce to raise their children, or later on in life to take care of elderly parents, where women earn, on the average, 75 cents on the dollar of what men do; when we look at Social Security reform and realize right now that Social Security is based on the top 35 years of income, and for many women who do not work 35 years, their income is averaged by adding a number of zeros into that calculation because they have not worked those years.

We have to use this opportunity to make sure that how these decisions are made does not negatively impact women. It is actually this lack of understanding of women in the workforce that has resulted in many more women who are living in poverty today after the age of 65. Single older women are more than twice as likely as men to face poverty today.

The bipartisan support of my amendment in committee has encouraged me to offer an amendment to the pending resolution which I hope my colleagues will again support. We have to use reform and this added financial flexibility to address the specific shortfalls in the current structure that penalize women and oftentimes leave them in poverty following the death of their spouse.

My amendment would simply illustrate the support of the Senate for using reform as a mechanism, not just at protecting the status quo but actually improving the economic security of older women. I hope that the same commitment to address the needs of women in reform prevails when I offer

this amendment in the next several days.

Finally, Mr. President, I want to caution my colleagues about the dangers we face when fiscal policy development breaks down into partisan politics. We will not be successful unless we have a bipartisan effort. I urge my colleagues to think carefully about the constituents they have met and the people who have come to them asking them for help and support. We need to stay focused on these faces and remember that the budget is not just about economic or policy decisions but about decisions with real consequences and real human costs.

I am hopeful that as this budget process continues we can redirect our efforts and shift our priorities from short-term diversions to savings and investing in the future. We have made the tough decisions that have given us a budget surplus today. Like every family, we cut back and for several years maintained strict fiscal discipline. Let's follow the example of many families and use our surplus to invest and save—not to rush out to spend on lavish vacations or luxury items. Let's use basic common sense in deciding on the priorities of the first budget of the millennium.

Mr. DOMENICI. Mr. President, Senator ABRAHAM will have some comments and then our first amendment. How much time does the Senator desire?

Mr. ABRAHAM. Mr. President, 15 minutes. I believe I can make an opening statement and comments on the amendment.

Mr. DOMENICI. I yield 15 minutes to the Senator from Michigan.

Mr. ABRAHAM. Mr. President, let me begin by acknowledging, as others have, the work and accomplishment of our Senate Budget Committee, and particularly the work of our chairman, in putting together this budget which we are debating today.

A lot of people have tried to take credit with respect to the remarkably strong fiscal position we find ourselves in today. But I remind all of our colleagues that when, in 1995, this Senator arrived, notwithstanding tax increases and other such devices, we still were considering budgets with deficits as great as \$200 billion for as far as the eye could see. We had one leader in the Senate, the chairman of the Budget Committee, who said, We are not going to allow that to happen; we are going to begin to strengthen the economy and tighten the belt in ways that eliminate the budget deficit.

I am proud to be a member of the committee and never to have voted for anything but a balanced budget since I became a part of that committee. I attribute that to our chairman and his staff for the hard work they have done to craft documents that have moved us in this direction.

Let me just briefly outline the budget we are looking at here today for the benefit of our colleagues who may be

perhaps reaching the wrong conclusions as to what it contains on the basis of some of the speeches we have heard today. I want to set the record straight. Our budget accomplishes a number of important priorities. First, it sets aside every single dollar of the Social Security surplus so that we can use that Social Security surplus for exactly what the public expects us to use it for, and that is to fix Social Security and to ensure its long-term solvency. Later, I will offer an amendment here which will ask the Senate to take a position in support of the kind of protection and lockbox mechanism that will guarantee that every one of those Social Security dollars is used for that purpose.

Second, this budget makes important investments in two areas of public policy where I think there is a broad consensus of support, both inside the Senate as well as across America. One of those areas is education. This budget acknowledges a greater Federal investment in the support of education in our country. It does not dictate how those dollars will be spent, obviously. I think a lot of us feel they ought to be spent in the classroom.

With the budget chairman here, I ask if he could respond. I believe, Mr. Chairman, that this budget, in fact, increases education spending not only over its baseline increase but even beyond what has been proposed by prominent education advocates such as the President, is that not correct?

Mr. DOMENICI. The Senator is absolutely correct. In the first year, we recommended that \$3 billion, in addition to what the President recommended, be spent for education, and over 5 years, \$28 billion in new money on top of about \$100 billion in the programs today.

We do express our concern in the event this money were used in the traditional way that we have done for the last 25 years of telling them exactly how to do it with a lot of strings. We are hoping it will move down to the classroom level with only accountability as to what the Federal Government requires.

Mr. ABRAHAM. I thank the Budget Committee chairman. I ask our colleagues to take note of this.

We have already heard people come to the floor and talk about how this budget doesn't do enough for education, while at the same time they are now saying it is the President who cares about investment in education.

This budget invests more in education than the President of the United States has proposed by a very substantial amount over the next 5 years. We will have a chance later to debate how that investment should be made.

I agree with the chairman of the Budget Committee—we want fewer "Washington knows best" solutions and more people at the local level making decisions as to how to use the dollars. It is the Republican's budget, not the President's, that puts more money in education.

Another investment that I think we all, particularly today, have to acknowledge is important is a greater investment in national security. Obviously, the current events in the Balkans once again remind us that America must have a sufficient investment in our security to be able to meet international challenges we confront.

To give the Senate an idea of exactly what we confront with respect to national security today, let me use one statistic. That is the decrease in levels of manpower and weaponry in just the last 8 years. Eight years ago, we engaged in Operation Desert Storm, an accomplishment of great military significance. If we had to do that again today, we would find ourselves severely strapped both with respect to the percentage of our total Armed Forces that would be needed to initiate that effort, as well as the amount of weapons from our total arsenal that would be needed. In fact, I believe it would take about 90 percent of today's Army, two-thirds of our fighter wings, two-thirds of our aircraft carriers, and the entire U.S. Marine Corps based on those current sizes today to replicate what we did in 1991.

If that doesn't demonstrate to us the need for a greater investment in national security, I don't know what does. If we need further arguments, I think we need only to look so far as the reinlistment rates which are, as everyone in this body knows, not at the level we require. We need to have better pay and better benefits, pension benefits, and so on, for our Armed Forces in order to encourage more people to join and to stay in the Armed Forces. We have already taken a step in that direction earlier this year, but we need to back up the Soldiers' Bill of Rights with budget authority to be able to move forward. That is what this budget does over the next few years.

Finally, I want to talk about two other things. This budget sets aside money not at all connected to Social Security, but, rather, surpluses wholly unrelated to our Social Security payroll taxes for the purpose of reducing the tax burden on the people who pay taxes in this country. What we are talking about is very simple: More money is coming into the Federal Treasury than even the biggest liberal spenders anticipated. It is coming faster than the IRS can count it. It is building up a surplus that is wholly unconnected to Social Security.

The question is, What should we do with some of those dollars? This budget sets aside a very substantial amount of money, but certainly not all of that money, for tax relief. Some say this isn't right; the money should be used for more spending programs, new spending programs, or it should go in some way to reduce the tax burden of people who are already paying the taxes. We don't agree. We think this money constitutes an overpayment. It is more money than we expected. If you make an overpayment, you ought to get a refund. That is what this budget

reflects. The refunds ought to go to the people who are making the overpayment. In my judgment, at least in some way, it ought to reflect approximately the percentage of their overpayment. To treat this as suddenly a tax break for a special interest group is simply missing the point.

We didn't just shut down a program to be able to finance a tax cut. We didn't make a transfer from one beneficiary group to another in order to be able to afford a tax cut. We said we are taking the money that is coming in and returning it to the American public. The Finance Committee, not the Budget Committee, will make that decision. We think at least a very substantial part of those surplus dollars ought to be used to help allow the people who created this surplus the chance to keep a little bit more of what they earn.

Finally, I want to talk about Medicare briefly, because I find the repeated comments with respect to this budget's failure to address Medicare to be so erroneous that they require a response. This budget puts more money into Medicare over the next 5 years than I believe was proposed by the President, and I will defer, again, to the Budget chairman when I have a chance here to clarify that. Unlike the President, we don't cut Medicare over the next 5 years. Furthermore, we set aside over \$130 billion in this budget to be used precisely on things like fixing Medicare, that so many of our colleagues seem interested in doing.

The one thing we haven't done here that I want to address, we didn't say that we are just sort of going to use general tax revenues in order to stabilize and offset or postpone the insolvency of the Medicare Part A trust fund. We didn't do that here. I don't think that would be an appropriate precedent for us to set. We need to fix the Medicare Part A trust fund to make it work. It is broken. We all know that.

There was a Medicare commission and 10 out of 17 people, on a bipartisan basis, agreed that there was a way to do that—in fact, a way that wouldn't even cost as much with respect to Medicare expenditures. They couldn't get 11 votes for that final outcome, but they got 10—including two Members of this body, including the Member selected by the President to chair the Medicare commission, and in my judgment—I am sorry, four Members of this body and two on each side of the aisle.

The point is this, Mr. President. The idea that instead of putting together a plan to reform and make Medicare work, the idea to say we are simply going to throw more money into this without any concrete proposal as to how to spend the money, I think is a mistake.

In any event, I think this budget addresses the priorities. It locks away money for Social Security and every single penny that Social Security generates in surplus. It increases our in-

vestment in education and in national security. It allows us to give people who have paid more taxes than we expected the chance to get a little bit of that back. Finally, it sets aside considerable amounts of money to address our Medicare problems. For that reason, I support it.

How much time do I have left?

The PRESIDING OFFICER. The Senator has used 10 minutes.

AMENDMENT NO. 143

(Purpose: Providing a framework for the protection of Social Security Surpluses for current and future beneficiaries)

Mr. ABRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. ABRAHAM], for himself, Mr. DOMENICI, Mr. ASHCROFT, Mr. LOTT, Mr. ROTH, Mr. VOINOVICH, Mr. GRAMS, Mr. GREGG, Ms. COLLINS, Mr. HAGEL, Mr. SANTORUM, and Mr. CRAIG, proposes an amendment numbered 143.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . FINDINGS; SENSE OF CONGRESS ON THE PROTECTION OF THE SOCIAL SECURITY SURPLUSES.

(a) The Congress finds that—

(1) Congress and the President should balance the budget excluding the surpluses generated by the Social Security trust funds;

(2) Reducing the Federal debt held by the public is a top national priority, strongly supported on a bipartisan basis, as evidenced by Federal Reserve Chairman Alan Greenspan's comment that debt reduction "is a very important element in sustaining economic growth," as well as President Clinton's comments that it "is very, very important that we get the Government debt down" when referencing his own plans to use the budget surplus to reduce Federal debt held by the public.

(3) According to the Congressional Budget Office, balancing the budget excluding the surpluses generated by the Social Security trust funds will reduce debt held by the public by a total of \$1,723,000,000,000 by the end of fiscal year 2009, \$417,000,000,000, or 32 per cent, more than it would be reduced under the President's fiscal year 2000 budget submission;

(4) further according to the Congressional Budget Office, that the President's budget would actually spend \$40,000,000,000 of the Social Security surpluses in fiscal year 2000 on new spending programs, and spend \$158,000,000,000 of the Social Security surpluses on new spending programs from fiscal year 2000 through 2004; and

(5) Social Security surpluses should be used for Social Security reform or to reduce the debt held by the public and should not be used for other purposes.

(b) It is the sense of Congress that the functional totals in this concurrent resolution on the budget assume that Congress shall pass legislation which—

(1) reaffirms the provisions of section 13301 of the Omnibus Budget Reconciliation Act of

1990 that provides that the receipts and disbursements of the Social Security trust funds shall not be counted for the purposes of the budget submitted by the President, the congressional budget, or the Balanced Budget and Emergency Deficit Control Act of 1985, and provides for a Point of Order within the Senate against any concurrent resolution on the budget, an amendment thereto, or a conference report thereon that violates that section.

(2) Mandates that the Social Security surpluses are used only for the payment of Social Security benefits, Social Security reform or to reduce the Federal debt held by the public, and not spent on non-Social Security programs or used to offset tax cuts.

(3) Provides for a Senate super-majority Point of Order against any bill, resolution, amendment, motion or conference report that would use Social Security surpluses on anything other than the payment of Social Security benefits, Social Security reform or the reduction of the federal debt held by the public.

(4) Ensures that all Social Security benefits are paid on time.

(5) Accommodates Social Security reform legislation.

Mr. ABRAHAM. Mr. President, this amendment attempts to embody a principle I discussed in my remarks and which we in the Budget Committee, I think, within the committee at least, indicated we desired to see happen, which is the creation of a lockbox mechanism into which we would make sure every Social Security surplus dollar would go, so it could not be used for any purpose other than to fix Social Security or, until such a Social Security fix was developed and passed, to reduce the national debt.

This is a sense-of-the-Senate amendment. I want to make that clear. It is not a substantive amendment, per se. But, Mr. President, we all agree that saving Social Security is our No. 1 priority in this Congress. The President, both in his 1998 and his 1999 address, said we should save the Social Security surplus and use it—in this year's speech, he said we should use it to reduce Federal debt, to ensure that it is not squandered on other spending. This amendment embodies that principle in the form of a sense-of-the-Senate amendment and outlines the course by which I think we can accomplish that in the most appropriate fashion.

Indeed, Mr. President, this budget resolution agrees with that prioritization and allows for the entire surplus of Social Security to be protected and to substantially reduce the Federal debt held by the public. I thank the chairman of the Budget Committee with whom I have worked on this amendment, and I thank Senator ASHCROFT who joined me in offering that, who I think will both speak to this at some point.

This is a very straightforward proposal, one I think will best protect the surplus and strengthen our economy so that the future of Social Security can be best ensured.

Let me outline some of the provisions. It would strengthen the off-budget status of Social Security as well as provide for additional points of order

against any bill, amendment, resolution, or conference report that would violate this off-budget treatment.

Second, it would create a subcategory of the gross Federal debt limit, the debt held by the public. If this proposal were ultimately put into effect through law, we would then cap that publicly held debt at the current level of \$3.6 trillion. We would also then mandate the reduction of that debt level in fiscal years 2000, 2001, and every 2 years thereafter, by the same amount as the Social Security trust fund surplus in those years.

These limits would be automatically adjusted as projected Social Security trust fund surpluses change, so as to ensure that we do not force ourselves to reduce the publicly held debt by a greater amount than we actually have available in the Social Security surplus, as well as to ensure that windfall Social Security surpluses would be protected from being raided. The proposal would also allow for a one-time adjustment to accommodate Social Security reform, should the Congress enact such reform.

This proposal, if it were actually passed into law, would reduce publicly held debt from \$3.6 trillion to \$2.4 trillion by the year 2009. I believe that is an even greater reduction than what the President's framework proposal suggested. It thereby locks away a larger portion of the Social Security surplus.

To that end, I might add that the budget resolution we have before us contains advisory caps on the publicly held debt limits which mirror those contained in this proposal. However, I believe it is necessary for the Congress to go beyond those advisory caps and to commit itself to reducing this publicly held debt and locking away the Social Security surplus from being spent on other programs. That is why I am joined by 11 colleagues, including Senators DOMENICI and ASHCROFT, as well as the majority leader and the chairman of the Finance Committee, Senator ROTH, in offering a sense-of-the-Senate amendment which will state that it is our intention to pursue such a course of action.

This amendment would state that it is our intention to pass legislation to reaffirm the off-budget status of the Social Security trust fund, mandate that the Social Security surplus only be used for the payment of Social Security benefits, Social Security reform, or the reduction of debt held by the public, and provide for protection such as points of order against any legislation which would try to circumvent those protections, ensure the Social Security benefits continue to be paid in full and on time, and accommodate Social Security reform.

We think this makes sense. We think it is consistent with colleagues on both sides of the aisle who have been talking about it for an extensive period of time. We think it made sense in this budget resolution to go on record say-

ing this is the direction in which we are going to head. It is one thing to talk about saving Social Security and making sure that Social Security surpluses aren't spent, making sure we reduce the public debt with Social Security surpluses, and so on; but I think talk is one thing, action is another.

I suggest that the passage of this amendment which I have offered with my colleagues would be the sort of action that would set us on the right course to make sure that ultimately we do in fact protect the Social Security surpluses so they can only be used to fix Social Security or to pay down the national debt.

With that, Mr. President, I will yield the floor. I know other colleagues here want to speak on this issue, and in due course, as we go back and forth, I am sure they will. I thank the budget chairman and the current occupant of the manager's chair, and I thank our ranking member as well, for the opportunity to speak.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise not to rebut the amendment by the Senator from Michigan but to make an opening statement about this budget and certain very crucial items in it.

I compliment Senator LAUTENBERG for his strong advocacy as the ranking member of the Budget Committee and his longstanding championship for those people who have been left out and left behind. Sir, I thank you for your role not only in this budget but what you do every day in the Senate.

Through the best efforts, I am very concerned that the fiscal year 2000 budget resolution really does not adequately address the solvency of Social Security, nor does it address adequately the solvency of Medicare—the two most important programs that the United States has, domestically, and the ones that Americans universally rely upon and plan their life around having in a reliable way, that has reliability and continuity, and that the entire private sector assumes will be there as they plan private sector products.

Now, preserving Social Security and Medicare must be our Nation's top priority, and I believe the original efforts by the Lautenberg group were there. What we have before us today, I believe, does not protect Social Security.

Now, we say a lot in the Senate about family values. Well, I believe there is a value that comes out of the Judeo-Christian ethic I believe in, and it is called honor your father and honor your mother. I believe it is not only a good commandment to live by, I think it is a good commandment to govern by.

We should not only have it in our prayer books. We should have it in the Federal checkbook. This is why I am so adamant that we must save Social Security first and preserve the solvency of Medicare.

When we look at Social Security, we want to make sure that we protect those who have the least resources with them—those without pensions, those without IRAs, those without 401(k)s. These are the people who we know represent, as we speak, now, over 40 million people. If there are 40 million Americans without health insurance, you had better believe they are going to be the same 40 million who do not have 401(k)s. To them "K" means Kellogg, and it is a cereal. It is not a life security system.

I am particularly concerned about women. And I am particularly concerned about both men and women who, at the end of the day and near the end of their lives, will have no reliable pension program to look out for them.

This is what the Social Security issue is all about. I want to be sure that in any debate we have—whether it is on the budget, or whether it is the Social Security bills—I want to ensure that Social Security is universal and portable, that it is a guaranteed benefit, that it is inflation proof, and looks out, as I said, for those who do not have anything else going for them.

I have a particular interest in this as it affects women. That is because I truly believe that Social Security is a woman's issue. Without it, over half of all elderly women would now be living in dire poverty. Yes. Women today are working more outside the home, yes, and earning more than past generations. But in reality, their lifetime earnings, access to pensions, and ability to save continues to be less than men. That is why Social Security is a woman's issue. Let me elaborate.

First of all, women live longer. The life expectancy rate for women is 65, 4 years longer than for men. That means they will need income security for a longer period of time. Also, the equity that we placed in Social Security is absolutely crucial. Why? Because right now women do not get equal pay for equal work, making 70 percent of what men make for similar jobs. They will get less Social Security because their benefits are based in part on wages. That means the hard-working female x ray technician who puts in 40 hours a week might take home \$28,000 a year instead of the financial worth that her male counterpart has.

We need a Social Security system, too, that women can count on, that respects values of work inside the home and acknowledges it in retirement. This is why the spousal benefit is so crucial and why we need to preserve it. Women move in and out of the paid marketplace to do some of the most important work—raising children and caring for elderly parents and their relatives. Take, for instance, someone who works in an office as an executive assistant. She got her high school diploma, didn't go to college, worked full time for 5 years, but leaves the workforce to raise her children. She might do that for 7 years and then return part time. Notice that she lost 7 years in

her contribution, and then is a part-time wage earner, and then often has to go back at an entry wage. This woman needs to know that Social Security is there for her, and that she is not penalized for what she did, which was the unpaid work for providing the most invaluable service to America; that is, raising America's children.

Certain ideas have been proposed to reforming Social Security which would have a devastating impact on women. Having reliance on private retirement accounts would hurt women disproportionately. Again, women earn less money, unequal pay, leave the paid workforce to raise children, or care-give, and would have less to "invest." Reducing the Social Security COLA would hurt women. And there are other reforms.

But the point that I make is that Social Security as it now stands is the best deal for women. Sure, we need to make reforms. Sure, we need to look at the other ideas. That is why we should not cut or dramatically alter Social Security. Sure, it can pay benefits into 2032. But we have to look ahead to be sure that there is solvency of Social Security.

That is why we support the Lautenberg effort. We want to be sure that for women who have worked all of their lives, in the home or outside the home, there will be a guaranteed benefit with a full cost of living, that it will have a progressive benefit formula that helps the low-income wage earners, and that there is a spousal and survivor benefit for married women, divorced and widowed. The only way we can do that is if we take the surplus and put 62 percent aside, and also 15 percent for Medicare. Otherwise, this is a hollow budget full of promise and hollow on opportunity.

Mr. President, I salute the efforts of Senator LAUTENBERG. I am deeply disturbed that we are not setting aside 62 percent as we talked about. I do not believe the other party adequately protects Social Security, adequately protects Medicare, and I believe that ultimately the American people will wake up to this.

As it stands now, I will vote no for this budget.

Mr. LAUTENBERG. Mr. President, I will take a couple of minutes with the agreement of the Senator from Minnesota just to respond, A, to say thank you to my dear friend and colleague for her complimentary remarks, but even more importantly than that—because flattery is nice, but effectiveness is even better—and the Senator from Maryland has been a known, strong advocate for the things that she believes in.

I greet Senator MIKULSKI each time I see her with the knowledge that she has enhanced our view of what life is really about by bringing a perspective that comes from the women's side that is so often left out. She knows also too well that she hits a familiar tone with me when she talks about Social Security,

because my father died before my mother was 36 years old. She had nothing but bills and an obligation to my 12-year-old sister and an 18-year-old son who had already enlisted in the Army to support her. She did it by sheer dent of hard work and will.

If we had in that family, going back now—we are talking about 1943—the benefit of a Social Security Program, a check coming in that would kind of help relieve not only the fiscal financial obligations, but the anxiety that accompanies the worry about that, if we had Medicare or Medicaid in those days when my father died at the age of 43, a strapping handsome man—cancer overtook him, and he died leaving doctors bills. So we had not only enormous grief, but the obligation to pay off the doctor and hospital bills that were accumulated with no insurance program.

So when we talk about Social Security, we talk about women who are typically those left most often with the smallest share of assets, because of the way we are structured. We need to make sure that Social Security is going to be there. We need to make sure that Medicare is going to be solvent for a number of years. Yes. We are not disagreeing with the need to reform and improve, if possible, but to make sure that it is equitably distributed. We need time. We need the assurance that the programs are going to be there.

I for one will jump on the reform-and-improve bandwagon as soon as we have a good vehicle to take us along.

So I thank the Senator from Maryland for her comments.

I see my friend also from California was so nice before to give me credit for some things I probably don't deserve. But, nevertheless, the credit is nice to get.

I thank both Senators.

I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. DEWine). The Senator from Minnesota.

Mr. GRAMS. Mr. President, I wanted to take about 15 seconds.

We have heard time after time from speaker after speaker on the other side of the aisle that somehow the Republican budget doesn't protect or set aside money for Social Security. We set aside all the Social Security surpluses. It is earmarked in a lockbox for Social Security. So that is not what we are saying. One good thing about our budget is we don't spend it. The President, under his budget, spends \$158 billion of the Social Security surplus. Our budget doesn't. So I think we do a better job on securing and saving Social Security.

I would like to yield to my friend from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you very much, Mr. President. I thank the Senator from Minnesota.

I rise in support of the resolution offered by Senator ABRAHAM that has

been called the Abraham-Domenici-Ashcroft Social Security amendment. That protects our strong support for saving Social Security.

It expresses our strong support for protecting Social Security. I am grateful for the opportunity to cosponsor this amendment, which will put the Senate on record in favor of protecting the Social Security surplus and not invading it for spending for other Governmental programs.

The Senator from Minnesota is absolutely correct. The President's budget over the next 5 years would spend \$158 billion of the Social Security surplus—not the general Governmental surplus but the Social Security surplus. Social Security is a national, cultural and, I might add, legal obligation. Social Security is our most important social program, a contract between the Government and its citizens. Americans, including 1 million Missourians, depend on this commitment. This is more than just a Governmental commitment. We have a responsibility as a culture to care for the recipients of Social Security—the elderly and other individuals in regard to Social Security who are its beneficiaries. Social Security is the only retirement income for most of the seniors in this country. It is our obligation, passed down from generation to generation, to provide retirement security for every American.

As individuals, all of us care about Social Security because we know the benefits it pays to our mothers and fathers, relatives and friends. And we think of the Social Security taxes we and our children pay—up to 12.4 percent of our income. We pay these taxes with the understanding that they help our parents and their friends, and we hope that our taxes will somehow, someday make it possible to help pay for our own retirements.

In my case, thinking of Social Security brings to mind friends and constituents such as Lenus Hill of Bolivar, Missouri, who relies on her Social Security to meet living expenses. Billy Yarberry lives on a farm near Springfield and depends on Social Security. And there is Reverend Walter Keisker of Cape Girardeau, who will be 100 years old next July and lives on Social Security. The faces of these friends make Social Security have a special, personal meaning to me.

Whenever I meet with folks in Missouri, I am asked, "Senator, you won't let them use my Social Security taxes to pay for the United Nations, will you?" Or, "Why can't I get my full benefits if I work after 65?" Or, "You know I need my Social Security, don't you?"

And then there are the letters on Social Security I get every day.

Ed and Beverly Shelton of Independence, Missouri, write:

Aren't the budget surpluses the result of Social Security taxes generating more revenue than is needed to fund current benefits? Therefore, the Social Security surplus is the surplus! . . . Yes, we are senior citizens and receive a very limited amount of Social Security. We are children who survived the

Great Depression and World War II so we know how to stretch a dollar and rationed goods—just [listen to this] wish Congress were as careful with spending our money as we are!

These concerns are why I am cosponsoring this amendment, which will express the Senate's view that we must put an end to the practice of using surpluses in the Social Security trust funds to finance deficits in the rest of the Federal budget.

This resolution—the Abraham-Domenici-Ashcroft resolution—puts the Senate on record as supporting legislation that would accomplish the following:

(a) Reaffirming the provisions of section 13301 of the Omnibus Budget Reconciliation Act of 1990. This section provides that the Social Security trust funds shall be off budget.

(2) Mandating that the Social Security surpluses are to be used only for the payment of Social Security benefits, Social Security reform, or to reduce the federal debt held by the public, and not spent on non-Social Security programs or used for tax cuts.

(3) Providing for a Senate super-majority point of order against any bill, joint resolution, amendment, motion, or conference report that would use Social Security surpluses on anything other than the payment of Social Security benefits, Social Security reform, or to reduce the federal debt held by the public.

That is very important. We include in this proposal not just a statement that we want to reserve Social Security for the right purposes, but we want to create a point of order that makes out of order a proposal that we spend Social Security to cover deficits in other parts of the Government.

Additionally, this particular measure ensures that all Social Security benefits are paid on time.

I am in favor of two provisions that will accomplish these objectives. First, I am a cosponsor of the Abraham-Domenici lockbox provision, which will lock away Social Security surpluses by ratcheting down the publicly held debt by the amount of our Social Security surpluses. This resolution puts the Senate on record in favor of this legislation.

In addition, Senator DOMENICI and I have introduced the Protect Social Security Benefits Act, which would make it out of order for the Senate to pass, or even debate, a budget that uses Social Security surpluses to finance deficits in the rest of the budget.

Under this proposed legislation, a three-fifths vote in the Senate would be required to overcome this point of order, thereby making it extremely difficult to use the Social Security surplus to fund new deficit spending. We must make clear that the Federal Budget should be balanced without counting any Social Security surpluses.

Social Security should not finance new spending. But that is exactly what

has happened in the past, is now happening, and will continue happening in the future, unless changes are made. The funding of Federal deficits in Government spending generally by consuming Social Security surpluses must end.

Walling off the trust funds is the first step, not the only step, needed to protect Social Security. This is the right way to start the effort to improve Social Security so it is strong for our children and grandchildren.

To do this, we need to be honest, realizing that, for now, time is on our side to make thoughtful improvements. Social Security does now and will in the near future accumulate annual surpluses.

Together, income from payroll taxes and interest is greater than the amount of benefits being paid out. The Social Security trustees believe that these surpluses will continue each year for the next 14 years. In that time, a \$2.8 trillion total surplus will accumulate.

In the year 2013, however, when more baby boomers will be in retirement, annual benefit payments will exceed annual taxes received by Social Security through taxes and interest to the fund. As a result, Social Security will run an annual deficit. By 2021, annual benefit payments will exceed annual taxes received by Social Security and interest earned on the accumulated surpluses. Then, by the year 2032, Social Security payroll taxes will not only be insufficient to pay benefits; the surpluses will be used up. Social Security will be bankrupt. That is, even counting the notes in its fund, incapable of meeting the demand for benefits.

In recent years, Social Security surpluses have been used to finance deficit spending in the rest of the Federal budget. Take fiscal year 1998 for example. The Social Security surplus was \$99 billion. The deficit in the rest of the Government budget was \$29 billion. So \$29 billion—or 30 percent of the Social Security surplus—financed other Government programs that were not paid for with general tax revenues. This occurred despite President Clinton's promise to save "every penny of any surplus" for Social Security.

For next year, this money shuffling is even greater. According to CBO, the President's budget dips into the Social Security surplus to the tune of \$158 billion over 5 years to pay for government spending.

This kind of money shuffling must end. I cannot go back to Lenus Hill or Billy Yarberry and tell them that I stood by silently as the government devoted spent \$158 billion of their retirement money to pay for the President's new spending initiatives somewhere else. We must stop the dishonest practice of hiding new government deficits with Social Security surpluses.

This amendment is designed to express the sense of the Senate that we must not use surpluses in the Social Security trust funds to pay for deficits

in the rest of the federal budget. Three times Congress has passed laws that tried to take Social Security off-budget. These efforts have called for accounting statements that require the government to keep the financial status of Social Security separate from the rest of the budget. But these efforts are inadequate unless Congress puts in place safeguards that protect surpluses in Social Security from financing new government spending.

This amendment will put the Senate on record in favor of helping us save the trust funds, by directing the entire Social Security surplus to shrink the publicly held federal debt. Reducing the publicly held debt would cut annual interest costs that now cost \$200 billion and 15 percent of entire federal government budget. Eliminating this interest costs would provide more flexibility to address the long-term financing difficulties Social Security now faces that could someday jeopardize payment of full benefits.

This amendment is designed to express our support for protecting the Social Security system. More importantly, it is designed to protect the American people from attempts to spend our retirement dollars on current government spending. While I value the Social Security system, I value the American people, people like Lenus Hill and the 1 million other Missourians who receive Social Security benefits and depend on them more. I value those individuals far more than I value the system. My primary responsibility is to them. This amendment will protect the Social Security system and the American people first.

Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. There is a pending amendment, the Chair would inform the Senator.

Mr. ASHCROFT. Mr. President, being made aware of the pending amendment which is now before the Senate, I withdraw my request to send an amendment to the desk.

PRIVILEGE OF THE FLOOR

Mr. ASHCROFT. Mr. President, I ask unanimous consent that Kriz Ardizzzone, Tevi Troy, and Jim Carter, members of my legislative staff, be granted the privilege of the floor during the pendency of the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, I thank the Senator from Minnesota for his excellent work. I look forward to working with him as we bring this budget to the American people. I believe it has the potential of being the best budget in years.

Mr. GRAMS. Mr. President, I appreciate the kind words of the Senator from Missouri.

NATIONAL SCHOOL VIOLENCE VICTIMS' MEMORIAL DAY

Mr. GRAMS. Mr. President, I ask unanimous consent that S. Res. 53 be